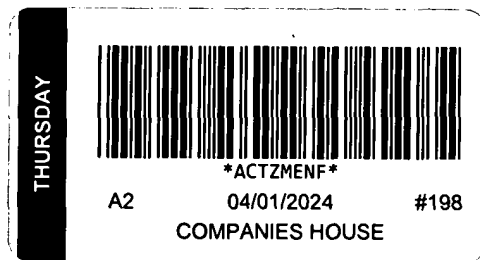


COMPANY NUMBER: 00149328

**F HINDS LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
26 MARCH 2023**



F HINDS LIMITED
STRATEGIC REPORT
YEAR ENDED 26 MARCH 2023

The directors present the strategic report for the year ended 26 March 2023.

Principal activities

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

Business review

F Hinds Limited is ultimately privately owned by members of the Hinds family, the business first being established in 1856 and it continues to be managed by family and other directors.

Trading on the High Street recovered after Covid-19 and performance improved on line and in store during the year ended 26 March 2023.

Stock valuation increased partly as a reflection of the increased cost of items bought during the year and partly due to certain lines of stock being bought at competitive prices as and when they arose.

No further Covid-19 support was available during the year hence other operating income declined.

An increase in gilt yields has significantly reduced the defined benefit plan liabilities represented by a large positive re-measurement of the defined benefit pension scheme in the Statement of Comprehensive Income. The measurement of the overall pension fund asset has been prudently valued in the Statement of Financial Position.

Cash reserves increased which placed the Company in a strong position to weather any potential fluctuations in trade.

Key performance indicators

	2023	2022
	£'000	£'000
Turnover	79,200	77,031
Operating profit	11,194	13,755
Profit after tax	9,623	11,147
Equity shareholder' funds	69,040	51,460
	No.	No.
Number of stores	128	128
Average number of employees	642	638

F HINDS LIMITED
STRATEGIC REPORT (CONTINUED)
YEAR ENDED 26 MARCH 2023

Principal risks and uncertainties

The directors envisage that the principal risks and uncertainties to be faced in the coming period will arise from the uncertainty of the movement in precious metal prices and currency fluctuations together with the risk of the loss of suppliers because of the current economic climate. This is managed through close monitoring.

The Company's foreign exchange exposure arises from sourcing product from overseas. The Company purchases currency at spot rates when required and holds currency to take advantage of fluctuations in exchange rate.

The Company looks to mitigate supply chain risk by implementing a rigorous supplier selection process and working closely with suppliers.

S172 statement

Compliance with duty

This statement by the board describes how the responsibilities under S172(1)(a) to (f) of the Companies Act 2006 have been approached in the financial year ended 26 March 2023.

The directors consider that they have acted in good faith to promote the success of the Company on behalf of the stakeholders, in relation to matters set out in S172 of the Act.

The stakeholders of the business include the employees, customers and suppliers of the business.

The directors monitor and review strategic objectives against long term growth plans and regular reviews at departmental and board level are held across its business in the key areas. These areas being Financial performance, Operations, Human Resources and Risks and Opportunities.

The fundamental principle in the governance of F Hinds Limited is the clear, fair and trusting approach to all interactions with employees, customers and suppliers. This is reflected in the length of service of employees and management teams and the longevity of the relationships with our clients and suppliers.

The Company has built, and continues to grow, the business on a reputation for delivering excellent customer service. Through senior management and employees, it strives continuously to improve in every aspect of the products and services it provides, for the mutual benefit of all stakeholders.

The directors have overall responsibility for delivering the Company's strategy and values and for ensuring high standards of governance. The primary aim of the directors is to promote the long-term sustainable success of the Company to generate benefit for the stakeholders. Throughout the next financial year, the directors will continue to review and improve engagement with all stakeholders.

The Company's employees, customers and suppliers are critical to the success of the business and so it is recognised that engagement is an important aspect in those relationships.

F HINDS LIMITED
STRATEGIC REPORT (CONTINUED)
YEAR ENDED 26 MARCH 2023

S172 statement (continued)

The directors recognise and understand that it is important to consult and keep employees informed of all relevant matters which it achieves via electronic media, meetings and verbal or written communications.

The Company has an equal opportunities policy and consults with employees on any issues that arise in accordance with relevant procedures or legislation.

Approved by the Board on 27 November 2023 and signed on its behalf by:



A F HINDS

Chairman of the Board of Directors

F HINDS LIMITED
DIRECTORS' REPORT
YEAR ENDED 26 MARCH 2023

The directors present their annual report and financial statements for the year ended 26 March 2023.

Results and dividends

The results for the year are set out in the income statement on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D R H Hinds
N A Hinds
A F Hinds
J D Hinds
P H Hinds
S B Cornwall
M J Preston
J A Cooper (appointed 1 September 2022)

Disabled persons

The Company recognises its responsibilities towards disabled persons and gives full and fair consideration to applicants in positions suited to their abilities where appropriate opportunities exist. Where employees become disabled in the course of their employment every effort is made to provide them with continuing employment.

Employee involvement

The Company places considerable value on involving its employees in the evolution of the Company, its policies and procedures. The participation of employees in contributing to the growth of the Company is encouraged throughout all aspects of the business.

Community

As a business with an element of seasonality, we employ many part time staff from the local community, particularly within our store network. We also support many local charities where our strength as a national retailer can make a difference preferably where members of staff are directly involved. We also support high profile national charities.

Equal opportunities

In the recruitment of staff and their subsequent career development, individuals are considered having regard to their aptitudes and abilities irrespective of race, sex, marital status or disability. The Company promotes an equal pay policy whereby everyone is paid the same for equivalent work

Environment issues

The Company continues to follow policies and procedures that take account of the need to protect and preserve the environment.

F HINDS LIMITED
DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 26 MARCH 2023

Future developments

F Hinds Limited is ultimately privately owned by members of the Hinds family and their passion, integrity and family values remain an essential binding component of every aspect of the business and its future developments.

Strategic report

The strategic report contains principal activities, the business review, key performance indicators, principal risks and uncertainties and the S172 statement.

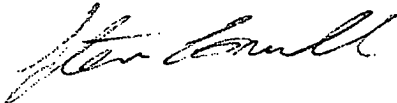
Going concern

See note 2.2 for the directors' rationale as to why the going concern basis is appropriate when preparing these financial statements.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on 27 November 2023 and signed on its behalf by:



S B CORNWALL

Company Secretary

F HINDS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' 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.

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 26 March 2023 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 26 March 2023 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)

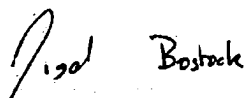
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

28 November 2023

F HINDS LIMITED
INCOME STATEMENT
YEAR ENDED 26 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER	2.3	79,199,907	77,030,715
Change in stocks of goods for resale		<u>4,896,023</u>	<u>563,702</u>
Other operating income	7	<u>84,095,930</u> <u>656,364</u>	<u>77,594,417</u> <u>1,414,524</u>
Other external charges		<u>84,752,294</u> <u>(51,393,440)</u>	<u>79,008,941</u> <u>(43,477,294)</u>
		<u>33,358,854</u>	<u>35,531,647</u>
Staff costs	5	<u>(19,476,804)</u>	<u>(19,161,501)</u>
Depreciation and amortisation	10,11	<u>(716,272)</u>	<u>(702,039)</u>
Other operating charges		<u>(1,972,225)</u>	<u>(1,913,043)</u>
		<u>(22,165,301)</u>	<u>(21,776,583)</u>
OPERATING PROFIT	4	11,193,553	13,755,064
Net interest receivable/(payable)		<u>513,100</u>	<u>138,681</u>
Finance cost	8	<u>163,000</u>	<u>27,000</u>
PROFIT BEFORE TAXATION		11,869,653	13,920,745
Tax on profit	9	<u>(2,246,986)</u>	<u>(2,774,213)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>9,622,667</u>	<u>11,146,532</u>

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

F HINDS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 26 MARCH 2023

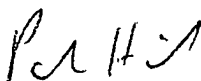
	Notes	2023 £	2022 £
PROFIT FOR THE FINANCIAL YEAR		<u>9,622,667</u>	<u>11,146,532</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Re-measurement of defined benefit pension scheme liability	20.6	10,609,000	<i>2,828,000</i>
Deferred tax arising on re-measurement of defined benefit pension scheme liability	15	<u>(2,652,000)</u>	<i><u>(752,000)</u></i>
		<u>7,957,000</u>	<i><u>2,076,000</u></i>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>17,579,667</u>	<u>13,222,532</u>

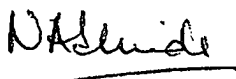
The related notes 1 to 20 form part of these financial statements.

F HINDS LIMITED
STATEMENT OF FINANCIAL POSITION
26 MARCH 2023
Company Number: 00149328

	Notes	2023 £	As restated 2022 £
FIXED ASSETS			
Intangible assets	10	56,054	78,310
Tangible assets	11	<u>4,734,280</u>	<u>4,445,866</u>
		<u>4,790,334</u>	<u>4,524,176</u>
CURRENT ASSETS			
Stock of goods for resale	12	35,205,513	30,309,490
Debtors: amounts falling due within one year	13	9,202,137	7,756,480
Cash at bank and in hand		<u>22,364,733</u>	<u>19,555,845</u>
		66,772,383	57,621,815
CREDITORS: amounts falling due within one year	14	<u>(13,737,029)</u>	<u>(13,924,970)</u>
NET CURRENT ASSETS		<u>53,035,354</u>	<u>43,696,845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		57,825,688	48,221,021
PROVISION FOR LIABILITIES AND CHARGES			
Deferred tax	15	<u>(4,386,000)</u>	<u>(1,605,000)</u>
NET ASSETS (excluding pension asset)		53,439,688	46,616,021
Pension asset	20.4	<u>15,600,000</u>	<u>4,844,000</u>
NET ASSETS (including pension asset)		<u>69,039,688</u>	<u>51,460,021</u>
CAPITAL AND RESERVES			
Called up equity share capital	16	1,980,000	1,980,000
Profit and loss account		<u>67,059,688</u>	<u>49,480,021</u>
SHAREHOLDERS' FUNDS		<u>69,039,688</u>	<u>51,460,021</u>

The financial statements were approved and authorised for issue by the board on 27 November 2023 and were signed on its behalf by:


P 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 26 MARCH 2023

	Called Up Share Capital £	Profit and Loss Account £	Total £
28 March 2021	1,980,000	36,257,489	38,237,489
Pension scheme actuarial gain	-	2,828,000	2,828,000
Deferred tax re actuarial gain	-	(752,000)	(752,000)
Profit for the financial year	-	11,146,532	11,146,532
27 March 2022	1,980,000	49,480,021	51,460,021
Pension scheme actuarial gain	-	10,609,000	10,609,000
Deferred tax re actuarial gain	-	(2,652,000)	(2,652,000)
Profit for the financial year	-	9,622,667	9,622,667
26 March 2023	1,980,000	67,059,688	69,039,688

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

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

1. GENERAL INFORMATION

The Company is a private company (limited by shares), incorporated and domiciled in England and Wales and its principal activity during the year was the retailing of jewellery, watches and associated products. The Company's principal place of business and its registered office is located at 24 Park Road, Uxbridge, Middlesex, UB8 1NH, England.

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 and key management compensation 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).

The directors have revisited the disclosure of the deferred tax liability relating to the company's defined benefit scheme asset and have restated the comparative amounts to better reflect the nature of the liability. The liability is now included in deferred tax liabilities rather than offset against the defined benefit scheme asset as was previously the case.

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.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

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.

Computer software:

Computer software is amortised over a five-year period using the straight line basis.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

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 (excluding freehold land) by equal annual instalments over their expected useful lives.

The apportionment of the cost of freehold property between land and buildings has been estimated by the directors.

The periods generally applicable are:

Shop fronts, furniture and equipment	- 5 - 10 years
Motor vehicles	- 4 years
Freehold buildings	- 50 years

Certain freehold properties held at the end of the financial year have 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.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

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.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

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. In determining the amount of the extent to which the surplus can be recognised, consideration will be given to these factors and consideration of any funding valuation that may be prepared by the Company's actuaries at the reporting date.

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.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

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.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

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

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 valuation (management consider the quantum of any stock provision necessary by considering current sales prices against historic costs and the need to provide against slow-moving lines);
- defined benefit pension scheme assumptions including the appropriateness of recognising any surplus, and the extent of this recognition, as computed by the Company's actuaries (management consider the assumptions used by appointing suitably qualified actuaries and engaging with them as appropriate); and
- depreciation/impairment considerations for tangible fixed assets (management review annually the appropriateness of depreciation rates paying due regard to profits or losses on assets disposed of, management review annually the need for impairment provisions considering experience and projected company/branch performance when undertaking that review).

4. OPERATING PROFIT

	2023	2022
	£	£
The operating profit is stated after charging / (crediting):		
Depreciation of tangible fixed assets	689,732	674,150
Amortisation of intangible fixed assets	26,540	27,889
Profit on disposal of tangible fixed assets	34,839	(34,606)
Exchange differences	20,896	(14,837)
Operating lease rentals: land and buildings	<u>7,833,164</u>	<u>7,991,387</u>

Auditors' remuneration for audit and taxation services was £44,000 (2022: £58,500) and £49,500 (2022: £48,900) respectively.

5. EMPLOYEES

	2023	2022
	£	£
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	17,412,036	17,130,934
Social security costs	1,328,238	1,242,428
Cost of defined benefit pension scheme		
• Regular contributions	-	1,240,000
• Actuarial employer contributions	-	(1,240,000)
• Current service cost	16,000	-
Cost of defined contribution pension scheme	<u>720,530</u>	<u>788,139</u>
	<u>19,476,804</u>	<u>19,161,501</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

5. EMPLOYEES (CONTINUED)

The average monthly number of full-time equivalent employees, including the directors, during the year was:	2023	2022
	No.	No.
Management and administration	48	52
Distribution	35	36
Retail	559	550
	<u>642</u>	<u>638</u>

6. DIRECTORS' EMOLUMENTS

	2023	2022
	£	£
Directors' emoluments	<u>239,193</u>	<u>185,881</u>

Total Company contributions to directors defined contribution pension schemes were £11,266 (2022: £Nil).

The highest paid director received remuneration of £182,270 (2022: £185,881) and £Nil (2022: £Nil) Company pension contributions were paid on their behalf.

7. OTHER OPERATING INCOME

	2023	2022
	£	£
Government grants receivable: CJRS furlough monies	-	273,999
Other grants receivable	-	553,846
Other	656,364	586,679
	<u>656,364</u>	<u>1,414,524</u>

8. FINANCE INCOME/(COST)

Defined benefit pension scheme:		
Interest income	1,760,000	1,272,000
Interest cost	(1,597,000)	(1,245,000)
	<u>163,000</u>	<u>27,000</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

9. TAXATION	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	2,176,321	2,028,213
Adjustments in respect of previous periods	<u>(58,335)</u>	<u>-</u>
	<u>2,117,986</u>	<u>2,028,213</u>
Deferred tax		
Origination and reversal of timing differences	<u>129,000</u>	<u>746,000</u>
Tax on profit	<u>2,246,986</u>	<u>2,774,213</u>
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:		
Profit before tax	<u>11,869,653</u>	<u>13,920,745</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	2,255,234	2,644,942
Effects of:		
Other differences	<u>(8,248)</u>	<u>129,271</u>
Tax on profit (see above)	<u>2,246,986</u>	<u>2,774,213</u>

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.

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

10. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost:	
27 March 2022	412,460
Additions	4,500
Disposals	<u>(23,514)</u>
26 March 2023	<u>393,446</u>
Depreciation:	
27 March 2022	334,150
Charge for the year	26,540
Disposals	<u>(23,298)</u>
26 March 2023	<u>337,392</u>
Net book value:	
26 March 2023	<u>56,054</u>
<i>27 March 2022</i>	<u>78,310</u>

11. TANGIBLE FIXED ASSETS

	Freehold Property £	Shop Fronts Furniture and Equipment £	Motor Vehicles £	Total £
Cost:				
27 March 2022	1,545,000	16,535,542	98,402	18,178,944
Additions	-	863,273	157,070	1,020,343
Disposals	<u>(40,000)</u>	<u>(104,788)</u>	-	<u>(144,788)</u>
26 March 2023	<u>1,505,000</u>	<u>17,294,027</u>	<u>255,472</u>	<u>19,054,499</u>
Depreciation:				
27 March 2022	-	13,673,619	59,459	13,733,078
Charge for the year	18,600	622,087	49,045	689,732
Disposals	<u>-</u>	<u>(102,591)</u>	-	<u>(102,591)</u>
26 March 2023	<u>18,600</u>	<u>14,193,115</u>	<u>108,504</u>	<u>14,320,219</u>
Net book value:				
26 March 2023	<u>1,486,400</u>	<u>3,100,912</u>	<u>146,968</u>	<u>4,734,280</u>
<i>27 March 2022</i>	<u>1,545,000</u>	<u>2,861,923</u>	<u>38,943</u>	<u>4,445,866</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

12. STOCK

	2023	2022
	£	£
Finished goods and goods for resale	<u>35,205,513</u>	<u>30,309,490</u>

13. DEBTORS

	2023	2022
	£	£
Trade debtors	255,064	193,153
Amounts owed by group undertakings	7,224,008	6,278,381
Other debtors	632,866	290,936
Prepayments	<u>1,090,199</u>	<u>994,010</u>
	<u>9,202,137</u>	<u>7,756,480</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

14. CREDITORS: amounts due within one year

	2023	2022
	£	£
Trade creditors	3,685,194	2,967,189
Other taxes and social security costs	3,656,486	3,302,966
Corporation tax	1,071,633	1,955,386
Other creditors	2,795,302	2,371,221
Accruals and deferred income	2,528,414	3,328,208
	<u>13,737,029</u>	<u>13,924,970</u>

15. DEFERRED TAXATION

	2023	2022
	£	£
Brought forward	1,605,000	542,000
Accelerated capital allowances: Charge/(credit) for the year in income statement	92,000	(6,000)
Defined benefit pension scheme liability: Charge for the year in other comprehensive income	2,652,000	752,000
Charge for the year in income statement	37,000	317,000
Carried forward	<u>4,386,000</u>	<u>1,605,000</u>
Deferred taxation is analysed as follows:		
Accelerated capital allowances	486,000	394,000
Defined benefit pension scheme liability	<u>3,900,000</u>	<u>1,211,000</u>
	<u>4,386,000</u>	<u>1,605,000</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

16. SHARE CAPITAL	2023	2022
	£	£
Allotted, called up and fully paid:		
1,980,000 Ordinary shares of £1 each	<u>1,980,000</u>	<u>1,980,000</u>

17. COMMITMENTS

Capital commitments for which no provision has been made in these financial statements were £Nil (2022: £Nil) at the year-end.

The Company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company for the year. Contributions totalling £53,746 (2022: £54,023) were payable to the schemes at the reporting date.

At 26 March 2023 the Company had future minimum lease payments under property operating leases as follows:

	2023	2022
	£	£
Not later than one year	3,663,769	3,656,498
Later than one year and not later than five years	11,254,126	11,711,582
Later than five years	<u>8,335,240</u>	<u>8,463,879</u>
	<u>23,253,135</u>	<u>23,831,959</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

18. RELATED PARTY TRANSACTIONS

During the year the Company transacted with one of its pension schemes, PR Pension Fund ("PRPF"). This scheme owns retail shop premises that are leased to the Company on normal commercial terms. In the year the Company paid rent of £83,700 (2022: £360,700) to 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 AND CONTROLLING PARTY

The Company's immediate and ultimate parent undertaking is Hinds Ltd.

The registered office of Hinds Ltd is the same as that of the Company.

Hinds Ltd prepares consolidated financial statements that are publicly available from Companies House and this is the smallest and largest group for which consolidated financial statements are prepared in which the Company's results are included.

Hinds Ltd has no controlling party.

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 2023, 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. 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 2023 by an independent qualified actuary.

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

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

20. PENSION COSTS (Continued)

20.2 Principal Assumptions

The principal actuarial assumptions at the balance sheet date were:

	2023	2022
	%	%
Discount rate	4.75	2.60
Aggregate long-term expected rate of return on assets (net of expenses)	4.75	2.60
Inflation – RPI	3.35	3.95
Inflation – CPI pre 2030	2.35	2.95
Inflation – CPI post 2030	3.35	3.95
Future increases in deferred pensions pre 2030	2.35	2.95
Future increases in deferred pensions post 2030	3.35	3.95
Rate of increase in pensionable salaries	n/a	n/a
Rate of increase to pensions in payment		
• LPI (max 5.0%) based on RPI	2.95	3.75
• LPI (max 2.5%) based on RPI	1.85	2.40
	Years	Years
Life expectancy of male aged 65 now	22.00	21.90
Life expectancy of male aged 65 in 20 years	23.30	23.20
Life expectancy of female aged 65 now	24.40	24.30
Life expectancy of female aged 65 in 20 years	25.70	25.70

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

20.3 Asset Breakdown

The major categories of Fund assets were:

	2023	2022
	£'000	£'000
Equities	7,050	39,481
Diversified growth	9,038	9,531
Property	-	430
Gilts and bonds	44,466	17,401
Cash and other	966	1,954
	61,520	68,797

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

20. PENSION COSTS (Continued)

20.4 Employee Benefit Obligations

The amounts recognised in the balance sheet:

	2023 £'000	2022 £'000
Fair value of Fund assets	61,520	68,797
Actuarial value of Fund liabilities	<u>(41,222)</u>	<u>(62,618)</u>
Asset in the Fund	20,298	6,179
Adjustment to limit recognition of the surplus to the extent it may be recoverable based upon the current funding valuation (see note 2.12)	<u>(4,698)</u>	<u>(1,335)</u>
Adjusted asset in the fund	<u>15,600</u>	<u>4,844</u>

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:

	2023 £'000	2022 £'000
Current service cost	16	-
Net interest on the net defined benefit liability	<u>(163)</u>	<u>(27)</u>
	<u>(147)</u>	<u>(27)</u>

F HINDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 26 MARCH 2023

20. PENSION COSTS (Continued)

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:

	2023 £'000	2022 £'000
Actual return on Fund assets	(4,891)	3,849
Amounts included in net interest on the net defined benefit liability	<u>(1,760)</u>	<u>(1,272)</u>
Re-measurement (gains)/losses:		
Return on Fund assets excluding interest income	(6,651)	2,577
Adjustment to limit the recognition of the surplus to the extent it may be recoverable based upon the current funding valuation (see note 2.12)	(3,363)	(1,335)
Actuarial gains and losses	<u>20,623</u>	<u>1,586</u>
	<u>10,609</u>	<u>2,828</u>

20.7 Changes in present value of Defined Benefit Obligation

	2023 £'000	2022 £'000
Opening value of Fund liabilities	62,618	64,718
Benefits paid	(2,370)	(1,759)
Current service cost	16	-
Interest cost	1,597	1,245
Re-measurement (gains)/losses: actuarial	(20,623)	(1,586)
Administration expenses	<u>(16)</u>	<u>-</u>
Closing value of Fund liabilities	<u>41,222</u>	<u>62,618</u>

20.8 Changes in the fair value of Fund Assets

	2023 £'000	2022 £'000
Opening fair value of Fund assets	68,797	65,467
Interest income	1,760	1,272
Re-measurement gains: Return on fund assets excluding interest income	(6,651)	2,577
Administration costs	(16)	-
Employer contributions	-	1,240
Benefits paid including expenses	<u>(2,370)</u>	<u>(1,759)</u>
Closing fair value of Fund assets	<u>61,520</u>	<u>68,797</u>