

Cover Story Clothing UK Limited
Financial Statements
For the period ended 31 December 2023

Report of the Independent Auditors to the Members of
Cover Story Clothing UK Limited

Opinion

We have audited the financial statements of Cover Story Clothing UK Limited (the 'company') for the year ended 31 December 2023 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 including provisions of section 1A "Small Entities", 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Cover Story Clothing UK Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company. Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that there are no significant laws and regulations except for company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the company.
- For both direct and other laws and regulations, our procedures involved: making enquiry of the directors of the Company for their awareness of any noncompliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees.
- The Company's principal activity was that of activities in the fashion industry. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

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

Report of the Independent Auditors to the Members of
Cover Story Clothing UK Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinder Sawhney (Senior Statutory Auditor)
for and on behalf of PBG Associates (LONDON) LTD
Statutory Auditors
77, HolyHead Road,
Birmingham
England
B21 0LG

Date: 10 April 2024

Cover Story Clothing UK Limited (Registered number: 10009695)

Income Statement

for the Period 1 April 2023 to 31 December 2023

	Notes	Period 01.04.23 to 31.12.23 £	Year Ended 31.03.23 £
TURNOVER	3	329,999	319,522
Cost of sales		<u>22,486</u>	<u>67,918</u>
GROSS PROFIT		307,513	251,604
Administrative expenses		<u>212,881</u>	<u>234,163</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		94,632	17,441
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>94,632</u></u>	<u><u>17,441</u></u>

The notes form part of these financial statements

Cover Story Clothing UK Limited (Registered number: 10009695)

Other Comprehensive Income
for the Period 1 April 2023 to 31 December 2023

	Notes	Period 01.04.23 to 31.12.23 £	Year Ended 31.3.23 £
PROFIT FOR THE PERIOD		94,632	17,441
OTHER COMPREHENSIVE INCOME		_____ -	_____ -
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>94,632</u>	<u>17,441</u>

The notes form part of these financial statements

Cover Story Clothing UK Limited (Registered number: 10009695)Balance Sheet31 December 2023

	Notes	31.12.23 £	£	31.03.23 £	£
FIXED ASSETS					
Tangible assets	7		4,797		4,797
CURRENT ASSETS					
Debtors	8	94,665		15,984	
Cash at bank		<u>8,557</u>		<u>20,128</u>	
		103,222		36,112	
CREDITORS					
Amounts falling due within one year	9	<u>19,283</u>		<u>46,805</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>83,939</u>		<u>(10,693)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>88,736</u>		<u>(5,896)</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>88,636</u>		<u>(5,996)</u>
			<u>88,736</u>		<u>(5,896)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 10 April 2024 and were signed by:

.....
Saji Varghese - Director

Cover Story Clothing UK Limited (Registered number: 10009695)

Statement of Changes in Equity
for the Period 1 April 2023 to 31 December 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	100	(23,437)	(23,337)
Changes in equity			
Total comprehensive income	-	17,441	17,441
Balance at 31 March 2023	100	(5,996)	(5,896)
Changes in equity			
Total comprehensive income	-	94,632	94,632
Balance at 31 December 2023	100	88,636	88,736

The notes form part of these financial statements

Cover Story Clothing UK LimitedNotes to the Financial Statements
for the Period 1 April 2023 to 31 December 2023**1. STATUTORY INFORMATION**

Cover Story Clothing UK Limited (formerly known as Future Style Lab UK Limited) is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Cash flow

The company, being a member of the group wherein the parent prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102

Turnover

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

Going Concern

The directors having reviewed the company's forecast, and the support assured by the parent company, Cover Story Clothing Limited, are confident that the company has adequate financial resources to continue in operational existence for the foreseeable future. The directors have therefore continued to adopt the going concern basis in preparing these financial statements.

Cover Story Clothing UK LimitedNotes to the Financial Statements - continued
for the Period 1 April 2023 to 31 December 2023**2. ACCOUNTING POLICIES - continued****Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Computer equipment - 20% straight line method

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Cover Story Clothing UK LimitedNotes to the Financial Statements - continued
for the Period 1 April 2023 to 31 December 2023**2. ACCOUNTING POLICIES - continued****Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Finance Cost

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

3. TURNOVER

An analysis of company's turnover is as follows:

	31.12.23	31.3.23
	£	£
Turnover		
Sale of goods	<u>329,999</u>	<u>319,522</u>

The analysis of turnover by geographical markets:

	31.12.23	31.3.23
	£	£
India	<u>329,999</u>	<u>319,522</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 2 (2023 - 2).

Cover Story Clothing UK LimitedNotes to the Financial Statements - continued
for the Period 1 April 2023 to 31 December 2023**5. OPERATING PROFIT**

The operating profit is stated after charging/ (crediting):

	31.12.23	31.3.23
	£	£
Auditors' remuneration	<u>3,250</u>	<u>3,250</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit/(loss) for the year was as follows:

	31.12.23	31.3.23
	£	£
Current tax:	-	-
UK corporation tax based on the profit/ (loss) for the year at 25% (2023: 19%)	-	-
Total current tax	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Tax on profit	<u>-</u>	<u>-</u>

Factors affecting tax charge: The tax assessed for the year is lower than the standard rate of tax corporation tax in the UK. The difference is explained below:

	31.12.23	31.3.23
	£	£
Profit/(loss) before tax	94,632	17,441
UK corporation tax based on the profit/ (loss) for the year at 25% (2023: 19%)	23,658	3,313
Effects of:		
Capital Allowance net of depreciation	-	1,218
Unrelieved tax losses	23,658	2,095
Current tax charge	<u>-</u>	<u>-</u>

Cover Story Clothing UK LimitedNotes to the Financial Statements - continued
for the Period 1 April 2023 to 31 December 20237. **TANGIBLE FIXED ASSETS**

	Computer equipment £
COST	
At 1 April 2023 and 31 December 2023	<u>39,069</u>
DEPRECIATION	
At 1 April 2023 and 31 December 2023	<u>34,272</u>
NET BOOK VALUE	
At 31 December 2023	<u>4,797</u>
At 31 March 2023	<u>4,797</u>

The computer equipment has already been assessed at its residual value, and as a result, no depreciation is applied in the current year.

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.23 £	31.3.23 £
Other debtors	82,050	15,984
VAT	<u>12,615</u>	<u>-</u>
	<u>94,665</u>	<u>15,984</u>

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.23 £	31.3.23 £
Trade creditors	7,529	-
Taxation and Social security	4,758	24,715
Other creditors	<u>6,996</u>	<u>22,090</u>
	<u>19,283</u>	<u>46,805</u>

10. **FUTURE LEASE COMMITMENTS**

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	31.12.23 £	31.3.23 £
Expiring:	Office space	Office space
Within one year	30,680	52,800
Between one and five years	-	22,000
More than five years	-	-

Cover Story Clothing UK Limited

Notes to the Financial Statements - continued
for the Period 1 April 2023 to 31 December 2023

11. OTHER INFORMATION

The current financial year of the Company is for the nine months period from 1st April 2023 to 31st December 2023. The figures of the current financial year are therefore not comparable with those of the previous year. Previous year figures have been rearranged/regrouped/reclassified wherever considered necessary to facilitate comparison with current year figures.

Cover Story Clothing UK LimitedTrading and Profit and Loss Account
for the Period 1 April 2023 to 31 December 2023

	Period		Year Ended	
	1.4.23 to 31.12.23		31.3.23	
	£	£	£	£
Turnover				
Sales		329,999		319,522
Cost of sales				
Direct Cost		<u>22,486</u>		<u>67,918</u>
GROSS PROFIT		307,513		251,604
Expenditure				
Salaries and Wages	116,644		124,855	
Employers NI Contributions	16,073		7,044	
Pensions	4,854		736	
Rent	29,870		27,644	
Insurance	621		1,298	
Travelling	10,178		8,719	
Conveyance	340		5,751	
Legal and Professional fees	13,211		12,478	
Repair and Maintenance	322		-	
Staff welfare expenses	225		-	
Telephone	274		-	
Printing and stationary	2,868		1,194	
Software charges	676		-	
Accountancy	-		3,000	
Withholding tax	-		34,662	
Bank charges	48		825	
Sundry expenses	99		775	
Marketing cost	12,938		-	
Membership & Subscriptions	390		1,360	
Auditors' remuneration	3,250		3,250	
Depreciation of tangible fixed assets	-		<u>572</u>	
		<u>212,881</u>		<u>234,163</u>
NET PROFIT		<u>94,632</u>		<u>17,441</u>