

**Strategic Report, Report of the Directors and**

**Financial Statements**

**for the Year Ended 31 January 2021**

**for**

**Sty.Com Limited**

**T/A**

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for the Year Ended 31 January 2021**

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**Sty.Com Limited  
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**Company Information  
for the Year Ended 31 January 2021**

<b>DIRECTORS:</b>	C W Eglington M J Wood K Iceton M Eglington
<b>SECRETARY:</b>	K Iceton
<b>REGISTERED OFFICE:</b>	Richmond Court Morton Road DARLINGTON County Durham DL1 4PT
<b>REGISTERED NUMBER:</b>	04094597 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Antony Lockett BCom BFP FCA DChA
<b>AUDITORS:</b>	Clive Owen LLP Chartered Accountants & Statutory Auditors 140 Coniscliffe Road Darlington County Durham DL3 7RT

**Sty.Com Limited (Registered number: 04094597)  
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**Strategic Report  
for the Year Ended 31 January 2021**

The directors present their strategic report for the year ended 31 January 2021.

**REVIEW OF BUSINESS**

The company's principal activity during the year continued to be that of the operation of a gift supply and delivery service.

STY.Com Limited are a Customer and Employee Engagement specialist who operate from a modern 32,000 sq ft warehouse in Darlington. This is the central hub of our storage, production, and administrative activities.

The five pillars of our organisation are Acquisition, Retention, Reward, Recovery and large-scale fulfilment utilizing the very latest technology in reporting and management information. We are flexible and agile which gives us an advantage over our competitors. Our customer base ranges from Banking, Insurance, Airlines, Rail, Holidays, Travel, Automotive and Retail.

We still service our very first customer Natwest whom we acquired in 1993, 27 years is a significant record for client customer loyalty. We achieve long term relationships by developing a partnership approach.

**KEY PERFORMANCE INDICATORS**

The directors consider turnover, gross profit margin and EBITDA's (earnings before interest, tax, depreciation and amortisation) to be key measures of the company's performance.

	Year ended 31 January 2021	Year ended 31 January 2020	
Turnover	8,477,598	11,394,400	-25.6%
Gross profit	2,531,811	2,590,371	-2.3%
Gross profit margin	29.9%	22.7%	31.7%
EBITDA	448,558	-254,047	-276.6%
EBITDA (excluding exceptional items)	488,746	234,884	108.8%

Financial year end 31st January 2021 saw mixed results due to the economic effect of Covid 19. In the first half of the year orders from business as usual dropped by 50%. On the plus side our voucher supplier had to close its supply site for 3 months and with the high street on lockdown, our customers had to order gifts such as hampers and flowers for both customers and staff who had to stay at home. This increased our profit margin.

In the second half of the year business as usual recovered slightly. As we also saw restrictions on Christmas parties and annual award ceremonies, there was a significant increase in spend on hampers and other gifts being delivered to staff working from home. November and December were the busiest months in our history, and again orders were for products with higher margins.

That is why despite a £2.9m loss of turnover (£2.5m being vouchers) our gross profit of £2.5m nearly matched that of 2020.

**Strategic Report  
for the Year Ended 31 January 2021**

We explained the success of the EQ platform in the previous Strategic Report for year ended 31st January 2020, which is a digital reward medium that provides instant and branded digital reward codes to customers and employees alike.

With the assistance of external designers and a marketer we have re-branded this as the "Icode" and will be launching this new platform in mid-September to existing customers as well as carrying out marketing campaigns to potential new customers.

Continuing to use the very latest Microsoft Power BI for in-depth reporting will enable us to closely monitor all established KPI's ensuring consistent performance daily.

During the year we were granted FCA authorization to carry out Payment Initiation Services and Account Information Services which we are planning to market to our customers in 2022. Due to the pandemic a large number of businesses (not just STY customers) have deferred the introduction of new projects as they were concentrating on their Covid measures for safe working in 2021.

We are currently developing our own Headless CML technology which will allow us to grow in line with new market trends utilising safe and secure 'open source' content when possible. The benefit of this technology is to move the management and upgrade in-house and reduce the need for external consultants. This will provide both a time and cost saving to the company.

Brexit has not significantly affected our ability to trade. The major items we were directly importing from the EU were flowers from Holland. Our flower supplier set up a UK company to handle the imports and customs paperwork so now we are no longer classed as importing, merely purchasing from a UK supplier. We have seen some price increases from suppliers due to extra administration costs and supply restrictions, particularly in the cardboard packaging sector. Where possible we have passed these costs on to customers and we are also continually looking at the design of our packaging options to make it as cost effective as possible.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the company are -

**Economic risk**

The company receives a substantial amount of its turnover from companies purchasing corporate gifts. A fall in activity within this sector would significantly impact on the turnover of the company.

**Exposure to credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the company's debtors are shown in Note 13 to the financial statements.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets.

**ON BEHALF OF THE BOARD:**

C W Eglington - Director

12 October 2021

**Sty.Com Limited (Registered number: 04094597)  
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**Report of the Directors  
for the Year Ended 31 January 2021**

The directors present their report with the financial statements of the company for the year ended 31 January 2021.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 January 2021 will be £ 91,560 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 February 2020 to the date of this report.

C W Eglington  
M J Wood  
K Iceton  
M Eglington

Other changes in directors holding office are as follows:

S Martin - resigned 31 March 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Sty.Com Limited (Registered number: 04094597)  
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**Report of the Directors  
for the Year Ended 31 January 2021**

**AUDITORS**

The auditors, Clive Owen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

C W Eglinton - Director

12 October 2021

## **Report of the Independent Auditors to the Members of Sty.Com Limited**

### **Opinion**

We have audited the financial statements of Sty.Com Limited (the 'company') for the year ended 31 January 2021 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 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 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Sty.Com 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 Strategic Report or the Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page four, 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 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.

## **Report of the Independent Auditors to the Members of Sty.Com Limited**

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Company. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be financial reporting legislation, taxation legislation, health & safety and employment law.
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Sty.Com 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.

Antony Lockett BCom BFP FCA DChA (Senior Statutory Auditor)  
for and on behalf of Clive Owen LLP  
Chartered Accountants  
& Statutory Auditors  
140 Coniscliffe Road  
Darlington  
County Durham  
DL3 7RT

12 October 2021

Sty.Com Limited (Registered number: 04094597)  
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Statement of Income and  
Retained Earnings  
for the Year Ended 31 January 2021

	Notes	2021 £	£	2020 £	£
<b>TURNOVER</b>			8,477,598		11,394,400
Cost of sales			<u>5,945,787</u>		<u>8,804,029</u>
<b>GROSS PROFIT</b>			2,531,811		2,590,371
Distribution costs		365,422		370,755	
Administrative expenses		<u>1,979,918</u>		<u>2,077,936</u>	
			<u>2,345,340</u>		<u>2,448,691</u>
			186,471		141,680
Other operating income			<u>149,151</u>		<u>-</u>
<b>OPERATING PROFIT</b>	4		<u>335,622</u>		<u>141,680</u>
Exceptional items	5		<u>40,188</u>		<u>497,931</u>
			295,434		(356,251)
Interest payable and similar expenses	6		<u>20,148</u>		<u>31,189</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			<u>275,286</u>		<u>(387,440)</u>
Tax on profit/(loss)	7		<u>62,769</u>		<u>23,250</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			212,517		(410,690)
Retained earnings at beginning of year			614,024		1,024,714
Dividends	8		(91,560)		-
<b>RETAINED EARNINGS AT END OF YEAR</b>			<u><u>734,981</u></u>		<u><u>614,024</u></u>

The notes form part of these financial statements

**Sty.Com Limited (Registered number: 04094597)**  
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**Balance Sheet**  
**31 January 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		235,036		307,201
Tangible assets	10		298,833		289,587
Investments	11		<u>-</u>		<u>-</u>
			533,869		596,788
<b>CURRENT ASSETS</b>					
Stocks	12	690,605		745,504	
Debtors	13	2,226,120		2,594,891	
Cash at bank and in hand		<u>1,117,445</u>		<u>743,780</u>	
		4,034,170		4,084,175	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>1,864,278</u>		<u>2,445,139</u>	
<b>NET CURRENT ASSETS</b>			<u>2,169,892</u>		<u>1,639,036</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,703,761		2,235,824
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(1,469,196)		(1,119,112)
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(107,024)</u>		<u>(110,128)</u>
<b>NET ASSETS</b>			<u>1,127,541</u>		<u>1,006,584</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		1,221		1,221
Share premium	21		391,339		391,339
Retained earnings	21		<u>734,981</u>		<u>614,024</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,127,541</u>		<u>1,006,584</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 October 2021 and were signed on its behalf by:

C W Eglinton - Director

**Sty.Com Limited (Registered number: 04094597)**  
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**Cash Flow Statement**  
**for the Year Ended 31 January 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	52,424	(318,783)
Interest paid		(19,089)	(29,725)
Interest element of hire purchase payments paid		(1,059)	(1,464)
Tax paid		-	(112,292)
Net cash from operating activities		<u>32,276</u>	<u>(462,264)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(28,974)
Purchase of tangible fixed assets		(24,684)	(56,996)
Sale of tangible fixed assets		4,145	-
Net cash from investing activities		<u>(20,539)</u>	<u>(85,970)</u>
<b>Cash flows from financing activities</b>			
New loans in year		400,000	-
Loan repayments in year		(23,859)	-
Capital repayments in year		(13,463)	(13,349)
Amount introduced by directors		(750)	-
Net cash from financing activities		<u>361,928</u>	<u>(13,349)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>373,665</u>	<u>(561,583)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	743,780	1,305,363
<b>Cash and cash equivalents at end of year</b>	2	<u>1,117,445</u>	<u>743,780</u>

The notes form part of these financial statements

**Sty.Com Limited (Registered number: 04094597)**  
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**Notes to the Cash Flow Statement**  
**for the Year Ended 31 January 2021**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Profit/(loss) before taxation	275,286	(387,440)
Depreciation charges	153,124	100,184
Profit on disposal of fixed assets	(4,145)	-
Exceptional items	40,188	459,781
Dilapidation provision	5,000	-
Government grants	(10,280)	-
Finance costs	<u>20,148</u>	<u>31,189</u>
	479,321	203,714
Decrease/(increase) in stocks	54,899	(61,847)
Decrease/(increase) in trade and other debtors	328,584	(588,262)
(Decrease)/increase in trade and other creditors	<u>(810,380)</u>	<u>127,612</u>
<b>Cash generated from operations</b>	<u><u>52,424</u></u>	<u><u>(318,783)</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 January 2021**

	31.1.21	1.2.20
	£	£
Cash and cash equivalents	<u>1,117,445</u>	<u>743,780</u>

**Year ended 31 January 2020**

	31.1.20	1.2.19
	£	£
Cash and cash equivalents	743,780	1,309,843
Bank overdrafts	<u>-</u>	<u>(4,480)</u>
	<u><u>743,780</u></u>	<u><u>1,305,363</u></u>

The notes form part of these financial statements

Sty.Com Limited (Registered number: 04094597)  
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Notes to the Cash Flow Statement  
for the Year Ended 31 January 2021

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.20 £	Cash flow £	At 31.1.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>743,780</u>	<u>373,665</u>	<u>1,117,445</u>
	<u>743,780</u>	<u>373,665</u>	<u>1,117,445</u>
<b>Debt</b>			
Finance leases	(6,966)	(18,981)	(25,947)
Debts falling due within 1 year	-	(60,000)	(60,000)
Debts falling due after 1 year	<u>-</u>	<u>(340,000)</u>	<u>(340,000)</u>
	<u>(6,966)</u>	<u>(418,981)</u>	<u>(425,947)</u>
<b>Total</b>	<u><u>736,814</u></u>	<u><u>(45,316)</u></u>	<u><u>691,498</u></u>

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 January 2021

1. STATUTORY INFORMATION

Sty.Com 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

**Preparation of consolidated financial statements**

The financial statements contain information about STY.Com Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements.

**Going concern**

The financial statements are prepared on the going concern basis which assumes that the company will continue to trade. However the validity of the going concern basis is dependent upon the continued support of the bank facilities. If the company is unable to continue to trade, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide any further liabilities that might arise and to analyse both fixed assets and long term liabilities as a current asset / liabilities.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Stock provisions - Management applies procedures to identify defective, slow moving and obsolete stocks. An estimation is made of the price obtainable in the market in which the goods are expected to be sold and any costs of completion and sale are taken into account. The value of stock is reduced by the deficit between the cost and estimated net realisable value of the stock in the form of a stock provision.

Depreciation and amortisation - Depreciation and amortisation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the accounting policies. The value of the depreciation and amortisation charge in the profit and loss account during the year was £153,124.

Dilapidation provision - Dilapidation provision is based on estimated costs to return lease properties to original state at the end of the lease term.

**Turnover**

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

**Income recognition**

Income is recognised when significant risks and rewards of ownership of the goods have transferred to the customer.

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2021

2. ACCOUNTING POLICIES - continued

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost and 5% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost and 10% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

**Government grants**

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**Investments in subsidiaries and associates**

Investments in subsidiary and associate undertaking are recognised at cost less any impairment for permanent diminution in value.

**Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to sell. Stock is used on a first in first out basis.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

**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 year 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.

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2021

2. ACCOUNTING POLICIES - continued

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Financial instruments**

Basic financial instruments are recognised at amortised cost with changes recognised in profit or loss.

**Invoice discounting**

The invoice discounting creditor represents amounts received in respect of financed debts. There is full recourse to the company for losses on debts, and so the financed debts continue to be recognised on the balance sheet. Interest and other charges relating to invoice discounting are recognised in the profit and loss account over the relevant period.

3. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	1,217,925	1,306,925
Social security costs	105,968	111,498
Other pension costs	77,359	71,727
	<u>1,401,252</u>	<u>1,490,150</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	4	5
Staff	<u>46</u>	<u>47</u>
	<u>50</u>	<u>52</u>

  

	2021 £	2020 £
Directors' remuneration	279,096	271,805
Directors' pension contributions to money purchase schemes	<u>60,800</u>	<u>54,133</u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2021**

**3. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	138,852	97,928
Pension contributions to money purchase schemes	<u>36,000</u>	<u>36,000</u>

Key management remuneration is not disclosed as the directors are the only employees considered key management and are disclosed separately.

**4. OPERATING PROFIT**

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

	2021	2020
	£	£
Other operating leases	122,736	121,789
Depreciation - owned assets	39,509	39,035
Depreciation - assets on hire purchase contracts	8,375	4,981
Profit on disposal of fixed assets	(4,145)	-
Computer software amortisation	105,240	56,168
Audit fee	7,000	7,000
Foreign exchange differences	<u>(6,143)</u>	<u>(6,049)</u>

**5. EXCEPTIONAL ITEMS**

	2021	2020
	£	£
Impairment of investments	-	81,600
Irrecoverable intercompany balances	<u>40,188</u>	<u>416,331</u>
	<u>40,188</u>	<u>497,931</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Invoice discounting charges	18,951	29,725
Corporation tax interest	138	-
Hire purchase	<u>1,059</u>	<u>1,464</u>
	<u>20,148</u>	<u>31,189</u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2021**

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	70,873	24,421
Deferred tax	(8,104)	(1,171)
Tax on profit/(loss)	<u>62,769</u>	<u>23,250</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit/(loss) before tax	<u>275,286</u>	<u>(387,440)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	52,304	(73,614)
Effects of:		
Expenses not deductible for tax purposes	10,465	96,864
Total tax charge	<u>62,769</u>	<u>23,250</u>

**8. DIVIDENDS**

	2021	2020
	£	£
Final	<u>91,560</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2021

9. INTANGIBLE FIXED ASSETS

	Computer software £
<b>COST</b>	
At 1 February 2020	802,154
Additions	<u>33,075</u>
At 31 January 2021	<u>835,229</u>
<b>AMORTISATION</b>	
At 1 February 2020	494,953
Amortisation for year	<u>105,240</u>
At 31 January 2021	<u>600,193</u>
<b>NET BOOK VALUE</b>	
At 31 January 2021	<u>235,036</u>
At 31 January 2020	<u>307,201</u>

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 February 2020	270,906	154,421	167,643
Additions	13,125	-	24,464
Disposals	-	-	-
At 31 January 2021	<u>284,031</u>	<u>154,421</u>	<u>192,107</u>
<b>DEPRECIATION</b>			
At 1 February 2020	72,948	123,493	124,222
Charge for year	13,274	8,547	15,473
Eliminated on disposal	-	-	-
At 31 January 2021	<u>86,222</u>	<u>132,040</u>	<u>139,695</u>
<b>NET BOOK VALUE</b>			
At 31 January 2021	<u>197,809</u>	<u>22,381</u>	<u>52,412</u>
At 31 January 2020	<u>197,958</u>	<u>30,928</u>	<u>43,421</u>

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Notes to the Financial Statements - continued  
for the Year Ended 31 January 2021

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 February 2020	14,220	179,070	786,260
Additions	18,076	1,465	57,130
Disposals	(14,220)	-	(14,220)
At 31 January 2021	<u>18,076</u>	<u>180,535</u>	<u>829,170</u>
<b>DEPRECIATION</b>			
At 1 February 2020	14,220	161,790	496,673
Charge for year	3,766	6,824	47,884
Eliminated on disposal	(14,220)	-	(14,220)
At 31 January 2021	<u>3,766</u>	<u>168,614</u>	<u>530,337</u>
<b>NET BOOK VALUE</b>			
At 31 January 2021	<u>14,310</u>	<u>11,921</u>	<u>298,833</u>
At 31 January 2020	<u>-</u>	<u>17,280</u>	<u>289,587</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 February 2020	11,995	-	-	11,353	23,348
Additions	-	14,368	18,076	-	32,444
At 31 January 2021	<u>11,995</u>	<u>14,368</u>	<u>18,076</u>	<u>11,353</u>	<u>55,792</u>
<b>DEPRECIATION</b>					
At 1 February 2020	3,298	-	-	5,488	8,786
Charge for year	1,799	539	3,766	2,271	8,375
At 31 January 2021	<u>5,097</u>	<u>539</u>	<u>3,766</u>	<u>7,759</u>	<u>17,161</u>
<b>NET BOOK VALUE</b>					
At 31 January 2021	<u>6,898</u>	<u>13,829</u>	<u>14,310</u>	<u>3,594</u>	<u>38,631</u>
At 31 January 2020	<u>8,697</u>	<u>-</u>	<u>-</u>	<u>5,865</u>	<u>14,562</u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2021**

**11. FIXED ASSET INVESTMENTS**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Simply Thank You Pty Limited**

Registered office: c/o Tricor Services, Level 3, 1049 Victoria Road, West Ryde, NSW 2114, Australia  
 Nature of business: Retail via mail order and internet

	%
Class of shares:	holding
Ordinary	80.00

**Associated company**

**STY Europe B.V.**

Registered office: Noorddammerweg 13m, 1424NV De Kwakel, Holland  
 Nature of business: Retail sale via mail order and internet.

	%
Class of shares:	holding
Ordinary	40.00

**12. STOCKS**

	2021	2020
	£	£
Stocks	<u>690,605</u>	<u>745,504</u>

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

	2021	2020
	£	£
Trade debtors	1,906,820	1,560,777
Amounts owed by group undertakings	2,130	25,665
Other debtors	51,821	40,199
Prepayments and accrued income	<u>265,349</u>	<u>968,250</u>
	<u><u>2,226,120</u></u>	<u><u>2,594,891</u></u>

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

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	60,000	-
Hire purchase contracts (see note 17)	14,802	5,905
Trade creditors	869,863	796,093
Corporation tax	95,294	24,421
Taxation and social security	180,921	119,542
Other creditors	176,138	128,577
Invoice discounting	62,307	1,198,760
Directors' current accounts	12,563	-
Accruals and deferred income	<u>392,390</u>	<u>171,841</u>
	<u><u>1,864,278</u></u>	<u><u>2,445,139</u></u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2021**

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£	£
Bank loans (see note 16)	340,000	-
Hire purchase contracts (see note 17)	11,145	1,061
Other creditors	<u>1,118,051</u>	<u>1,118,051</u>
	<u><u>1,469,196</u></u>	<u><u>1,119,112</u></u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>60,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>340,000</u>	<u>-</u>

**17. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	14,802	5,905
Between one and five years	<u>11,145</u>	<u>1,061</u>
	<u><u>25,947</u></u>	<u><u>6,966</u></u>
	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	171,974	185,523
Between one and five years	532,615	567,048
In more than five years	<u>323,419</u>	<u>444,701</u>
	<u><u>1,028,008</u></u>	<u><u>1,197,272</u></u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2021**

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	2021	2020
	£	£
Hire purchase contracts	25,947	6,966
Invoice discounting	<u>62,307</u>	<u>1,198,760</u>
	<u><u>88,254</u></u>	<u><u>1,205,726</u></u>

Invoice discounting are secured by a fixed and floating charge over the assets and undertakings of the company. Hire purchase agreements are secured on the assets to which they relate.

**19. PROVISIONS FOR LIABILITIES**

	2021	2020
	£	£
Deferred tax	82,024	90,128
Other provisions	<u>25,000</u>	<u>20,000</u>
	<u><u>107,024</u></u>	<u><u>110,128</u></u>
	Deferred tax	Other provisions
	£	£
Balance at 1 February 2020	90,128	20,000
Provided during year	-	5,000
Accelerated capital allowances	<u>(8,104)</u>	<u>-</u>
Balance at 31 January 2021	<u><u>82,024</u></u>	<u><u>25,000</u></u>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
122,080	Ordinary	1p	<u><u>1,221</u></u>	<u><u>1,221</u></u>

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**Notes to the Financial Statements - continued**  
**for the Year Ended 31 January 2021**

**21. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 February 2020	614,024	391,339	1,005,363
Profit for the year	212,517		212,517
Dividends	<u>(91,560)</u>		<u>(91,560)</u>
At 31 January 2021	<u>734,981</u>	<u>391,339</u>	<u>1,126,320</u>

Called-up share capital - represents the nominal value of shares that have been issued.

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings - includes all current and prior period retained profits and losses.

**22. CAPITAL COMMITMENTS**

	2021 £	2020 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>26,200</u>

**23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 January 2021 and 31 January 2020:

	2021 £	2020 £
<b>K Iceton</b>		
Balance outstanding at start of year	-	-
Amounts advanced	2,380	-
Amounts repaid	(750)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>1,630</u>	<u>-</u>

Included in other debtors is a balance of £1,630 (2020: £NIL) due to Kevin Iceton. This balance was paid in full on the 26/02/2021 within nine months of the year end.

**24. RELATED PARTY DISCLOSURES**

During the year STY.COM Limited provided interest free loans to subsidiary company Simply Thank You PTY Limited and related undertakings STY Europe B.V of £2,130 (2020: £25,665) £Nil (2020: £Nil) respectively. In addition, the balance due from STY Europe B.V of £26,718 was written off during the year.

**25. ULTIMATE CONTROLLING PARTY**

The control of the company is vested in S Al Badr and H M Al Badr. C W Eglington, a director and shareholder of the company, has the power to vote on behalf of S Al Badr and H M Al Badr in all matters except those where he has a personal interest, and therefore he has ultimate control of the company.

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