

SCOTT SMART PRODUCTS (UK) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



SCOTT SMART PRODUCTS (UK) LTD

COMPANY INFORMATION

Directors Bruno Lucien Salamone (appointed 1 September 2020)
Ka Yiu Chan (resigned 31 August 2020)

Registered number 11429894

Registered office The Lansdowne Building
2 Lansdowne Road
Croydon
CR9 2ER

Accountants MHA MacIntyre Hudson
Chartered Accountants
Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1LZ

SCOTT SMART PRODUCTS (UK) LTD

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SCOTT SMART PRODUCTS (UK) LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company is that of trading of household electrical appliances.

Directors

The directors who served during the year were:

Bruno Lucien Salamone (appointed 1 September 2020)
Ka Yiu Chan (resigned 31 August 2020)

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is 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. She is 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.

This report was approved by the board and signed on its behalf.

Bruno Lucien Salamone
Director

Date:

22/03/21



SCOTT SMART PRODUCTS (UK) LTD

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED
FINANCIAL STATEMENTS OF SCOTT SMART PRODUCTS (UK) LTD
FOR THE YEAR ENDED 31 DECEMBER 2020**

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes from the accounting records and information and explanations you have given to us. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2020 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



MHA MacIntyre Hudson

Chartered Accountants
Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1LZ

23 MARCH 2021

SCOTT SMART PRODUCTS (UK) LTD

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Revenue	3	109,402	15,623
Cost of sales		(99,156)	(11,096)
Gross profit		10,246	4,527
Administrative expenses		(64,761)	(125,938)
Loss from operations		(54,515)	(121,411)
Loss before tax		(54,515)	(121,411)
Loss for the year		(54,515)	(121,411)

SCOTT SMART PRODUCTS (UK) LTD
REGISTERED NUMBER: 11429894

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Assets			
Non-current assets			
Current assets			
Inventories	6	92,643	192,620
Trade and other receivables	7	45,009	5,575
Cash and cash equivalents		42,261	59,218
		<u>179,913</u>	<u>257,413</u>
Total assets		<u>179,913</u>	<u>257,413</u>
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	8	385,823	408,808
		<u>385,823</u>	<u>408,808</u>
Total liabilities		<u>385,823</u>	<u>408,808</u>
Net liabilities		<u><u>(205,910)</u></u>	<u><u>(151,395)</u></u>

SCOTT SMART PRODUCTS (UK) LTD
REGISTERED NUMBER: 11429894

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Issued capital and reserves			
Share capital	11	1,000	1,000
Retained earnings		(206,910)	(152,395)
TOTAL EQUITY		<u>(205,910)</u>	<u>(151,395)</u>

For the year ending 31 December 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

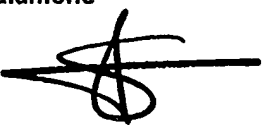
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 5 to 17 were approved and authorised for issue by the board of directors and were signed on its behalf by:

Bruno Lucien Salamone
Director

Date:


22/03/21

SCOTT SMART PRODUCTS (UK) LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2019	1,000	(30,984)	(29,984)
Comprehensive income for the year			
Loss for the year	-	(121,411)	(121,411)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(121,411)	(121,411)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	1,000	(152,395)	(151,395)
	<hr/>	<hr/>	<hr/>
At 1 January 2020	1,000	(152,395)	(151,395)
Comprehensive income for the year			
Loss for the year	-	(54,515)	(54,515)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(54,515)	(54,515)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,000	(206,910)	(205,910)
	<hr/>	<hr/>	<hr/>

The notes on page 10 to 17 form part of these financial statements.

SCOTT SMART PRODUCTS (UK) LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the year	(54,515)	(121,411)
Adjustments for		
	<u>(54,515)</u>	<u>(121,411)</u>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(39,434)	4,920
Decrease/(increase) in inventories	99,977	(192,620)
Increase/(decrease) in trade and other payables	4,153	(6,722)
	<u>10,181</u>	<u>(315,833)</u>
Cash generated from operations	<u>10,181</u>	<u>(315,833)</u>
Net cash from/(used in) operating activities	<u>10,181</u>	<u>(315,833)</u>
Cash flows from investing activities		
Cash flows from financing activities		
Proceeds from bank borrowings	-	345,051
Repayment of bank borrowings	(27,138)	-
	<u>(27,138)</u>	<u>345,051</u>
Net cash (used in)/from financing activities	<u>(27,138)</u>	<u>345,051</u>
Net cash (decrease)/increase in cash and cash equivalents	<u>(16,957)</u>	<u>29,218</u>
Cash and cash equivalents at the beginning of year	59,218	30,000
	<u>42,261</u>	<u>59,218</u>
Cash and cash equivalents at the end of the year	<u>42,261</u>	<u>59,218</u>

SCOTT SMART PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Company information

Scott Smart Products (UK) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is The Lansdowne Building, 2 Lansdowne Road, Croydon, CR9 2ER.

1.2 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

1.4 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus she continues to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

SCOTT SMART PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.6 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statements, the assets and liabilities of the Company's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

SCOTT SMART PRODUCTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SCOTT SMART PRODUCTS (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2. Functional and presentation currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

3. Revenue

The following is an analysis of the Company's revenue for the year from continuing operations:

	2020 £	2019 £
Sale of goods	109,402	15,623
	<u>109,402</u>	<u>15,623</u>

4. Operating loss

Operating loss for the year/period is stated after charging/(crediting):

	2020 £	2019 £
Exchange (gains)/losses	(545)	(104)
Cost of inventories recognised as an expense	99,156	11,096
	<u>99,156</u>	<u>11,096</u>

5. Employees

The average monthly number of persons (excluding director) employed by the company during the year/period was:

	2020 £	2019 £
Number of employees	1	1
	<u>1</u>	<u>1</u>

SCOTT SMART PRODUCTS (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	21,744	41,707
Social security costs	2,047	3,568
Pension costs	520	826
	<u>24,311</u>	<u>46,101</u>

During the year, the directors did not receive any remuneration or pension contributions in respect of their services as directors of the company in the current or preceding financial years.

6. Inventories

	2020 £	2019 £
Finished goods and goods for resale	92,643	192,620
	<u>92,643</u>	<u>192,620</u>

7. Trade and other receivables

	2020 £	2019 £
Trade receivables	40,610	2,973
Trade receivables - net	<u>40,610</u>	<u>2,973</u>
Prepayments and accrued income	2,956	1,159
Unpaid share capital	1,000	1,000
Other receivables	443	443
Total trade and other receivables	<u>45,009</u>	<u>5,575</u>

SCOTT SMART PRODUCTS (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Trade and other payables

	2020 £	2019 £
Payables to participating interests	370,332	397,470
Other payables	90	157
Accruals	3,533	9,485
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	373,955	407,112
Other payables - tax and social security payments	11,868	1,696
Total trade and other payables	385,823	408,808

Fair value of financial liabilities

The director considers that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Market risk management

The company is exposed primarily to the financial risks of changes in foreign currency exchange rates. The company manages market risk through an ongoing system of monitoring.

9. Deferred taxation

As at the reporting date, the company has unused tax losses of £206,871 (2019 - £152,328) available for offset against future profits. No deferred tax asset has been recognised in respect of these losses due to the unpredictability of future profit streams.

10. Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income for the year in respect of defined contribution plans is £520 (for the period ended 31 December 2019: £826).

SCOTT SMART PRODUCTS (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Share capital

Authorised

	2020 Number	2020 £	2019 Number	2019 £
Shares treated as equity				
Ordinary shares of £1.00 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Issued and partly paid

	2020 Number	2020 £	2019 Number	2019 £
Ordinary shares of £1.00 each				
At 1 January and 31 December	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12. Retained earnings

	2020 £	2019 £
At the beginning of the year	(152,395)	(30,984)
Loss for the year/period	(54,515)	(121,411)
At the end of the year	<u>(206,910)</u>	<u>(152,395)</u>

13. Leases

(i) Leases as a lessee

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or for leases of low-value assets.

Amounts recognised in profit or loss as an expense during the year/period in respect of lease arrangements are £9,777 (2019: £19,471).

14. Capital risk management

The company is not subject to any externally imposed capital requirements.

SCOTT SMART PRODUCTS (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Related party transactions

Remuneration of key management personnel

The remuneration of the director, who are key management personnel, was £nil during the year.

Other transactions with related parties

At the reporting end date the company had a balance owing to Scott (UK) Limited of £370,332 (2019: £397,470), a company related through a common director and shareholder.