

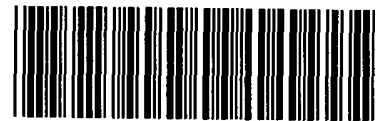
Company Registration No. 10536855 (England and Wales)

UNUMPLUS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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Unumplus Limited

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Unumplus Limited

Company information for the year ended 31 December 2022

Directors

Mr Bin Liu

Mrs Yu-Fen Cheng (resigned on 31/08/2022)

Registered office

7 Albert Buildings
49 Queen Victoria Street
London EC4N 4SA
United Kingdom

Independent auditor

Cox Costello & Home
Chartered Accountants and Statutory Auditor
Batchworth Lock House
99 Church Street
Rickmansworth
WD3 1JJ
United Kingdom

Registered number

10536855

Unumplus Limited

Strategic report for the year ended 31 December 2022

The directors of Unumplus Limited (the "Company") present the strategic report for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is that of the wholesale of electronic telecommunications equipment and retail sales of mobile telephones and related accessories.

Review of the business

In the review of our company's business in 2022, a notable development was the successful integration of both OPPO and OnePlus businesses into Unumplus Limited. These changes have contributed to a significant year-on-year increase in transaction volume, as reflected in the financial reports. The revenue growth of Unumplus Limited is not solely attributed to the merger with the Oppo brand. It is also greatly influenced by the company's efforts in maintaining existing UK customer relationships, developing new customers, and consistently investing in marketing promotion activities. As expected, Unumplus is maintaining a strong market presence and positive customer relationships in the UK market in year 2022.

Management have taken full advantage of the financial support available and are confident that the Company is well funded through 2023 and beyond.

Post year-end review

Post the balance sheet date, macro-economic uncertainty has continued due to the Covid-19 pandemic, the conflict in Ukraine and Brexit. These have had no material impact on the Company, nor did they have an adverse impact on its supply chain and the demand for its products.

Key performance indicators ("KPIs")

The Company's main goal is to grow the market share and revenue in the UK mobile sales and accessories sector. Sales performance is the primary KPI which has grown year on year.

	2022 £	2021 £
Turnover	45,113,000	32,962,000
EBITDA	(1,930,000)	(1,031,000)

Principal risks and uncertainties

The key business risk and uncertainty affecting the Company is considered to relate to competition from rivals operating in the same industry. The directors manage this risk by continually striving to promote the Company's product innovation to provide an edge over competitors. Furthermore, the Company has been putting significant effort to maintain strong relationships with customers and other stakeholders.

Future outlook and developments

The Company has continued its principal activities throughout the period and the directors expect to do so for the foreseeable future. The company is currently involved in some patent lawsuits with different licensors in the UK. Based on the latest developments, it is anticipated that no judgments against the company will be rendered by the Court which will have severe negative impacts on business operation in the immediate future. Additionally, all legal expenses and attorney fees related to these lawsuits are being borne by the group companies in China. The management perceives no significant risks to sustainable operations arising from this issue. Considering the uncertainty in the global macroeconomic environment and the ongoing patent lawsuits faced by the company, the management team has been attentive to the potential impacts, especially on the OPPO Brand in the UK market. As a strategic response in the short term, the company has opted for a deliberate contraction, conservatively estimated the revenue forecast data for the year 2024 with a decrease performance. Despite these challenges, the management team maintains unwavering confidence in the company's resilience and anticipates a positive trajectory in future operations. This measured approach reflects our commitment to navigating challenges while ensuring the long-term sustainability of the business.

Unumplus Limited

Strategic report for the year ended 31 December 2022 (continued)


This report was approved and signed by the director.



Mr Bin Liu

Director

Date: → Dec 2022



Unumplus Limited

Directors' report for the year ended 31 December 2022

The directors of the Company present the directors' report together with the audited financial statements for the year ended 31 December 2022:

Directors

The directors who held office during the year and up to the date of signing these financial statements is:

Mr Bin Liu

Other changes in directors holding office are as follows:

Mrs Yu-Fen Cheng Cheng resigned on 31 August 2022.

Dividend

No dividend is proposed in respect of the year ended 31 December 2022 (2021: £nil). The loss for the year, after taxation, amounted to £1,934,000 (2021: loss £1,037,000).

Qualifying third-party indemnity provision

No qualifying third-party indemnity provisions were in place during the financial year and at the date of this report (2021: nil).

Events after the balance sheet date

There were no adjusting events that occurred after the balance sheet date and up to the date of signing the annual financial statements. Information relating to non-adjusting events since the end of the year is given in the notes to the financial statements.

Political and charitable contributions

During the year the Company made no political or charitable contributions (2021: £nil).

Statement of disclosure of information to auditor

The directors of the company who held office at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditor

Cox Costello & Horne were re-appointed as the Company's auditor by the directors of Unumplus Limited.

Cox Costello & Horne have expressed their willingness to continue in office as auditors and appropriate arrangements will be made for them to be deemed reappointed as auditor following the forthcoming Annual General Meeting.

This report was approved and signed by the director:

Mr Bin Liu

Director

Date: 22 Dec 2023

Unumplus Limited

Directors' responsibilities statement

The directors are responsible for preparing the directors' report, the strategic report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless he is satisfied that he 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 the financial statements, the directors is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Unumplus Limited for the year ended 31 December 2022

Opinion on the financial statements

We have audited the financial statements of Unumplus Limited ("the Company") for the year ended 31 December 2022, which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, 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 December 2022 and of its loss 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 identified 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. As discussed in note 3 to the financial statement during the year the Company made a loss after tax of £1,934,000, at the reporting date there were negative shareholders' funds of £2,891,000 and net current liabilities of £3,019,000. Thus the going concern status of the company is ultimately dependent of the successful outcome of management's plans to grow the business, control costs and effectively manage working capital.

In addition, we draw your attention to note 16 of the financial statements which discloses an ongoing legal case brought about by a competitor of the Company against them.

Our opinion is not modified in respect of this matter.

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 included in the strategic report, the directors' report and financial statements, other than the financial statements and our Auditor's Report 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Unumplus Limited for the year ended 31 December 2022 (continued)

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors 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 directors 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 directors 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 directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We designed procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company. The potential effect of these laws and regulations on the financial statements varies considerably.

Independent auditor's report to the members of Unumplus Limited for the year ended 31 December 2022 (continued)

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including: the company's constitution, relevant financial reporting standards; company law; tax legislation and distributable profits legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an effect: laws and regulations relevant to employment legislation; health and safety legislation; data protection legislation; anti-bribery and corruption legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account, and journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud; and
- Ensuring that testing undertaken on both the performance statement and the Balance Sheet includes a number of items selected on a random basis.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence 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 Auditor's Report.

Use of our report

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



Michael F Cox BSc FCA (Senior Statutory Auditor)
for and on behalf of
Cox Costello & Horne Chartered Accountants and Statutory Auditor
Batchworth Lock House
99 Church Street
Rickmansworth
WD3 1JJ
United Kingdom

Date: 22/12/2023

Unumplus Limited

Statement of profit or loss and other comprehensive income for the year ended 31 December 2022

		2022	2021
	Note	£'000	£'000
Turnover	5	45,113	32,982
Cost of sales		(39,870)	(31,834)
Gross profit		5,243	1,128
Administrative expenses		(7,177)	(1,980)
Exceptional expenses		-	(185)
Operating loss	6	(1,934)	(1,037)
Loss before income tax		(1,934)	(1,037)
Income tax charge	9	-	-
Loss for the financial year		(1,934)	(1,037)
<i>Other comprehensive income for the year</i>		-	-
Total comprehensive loss for the financial year		(1,934)	(1,037)

All amounts relate to continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

Unumplus Limited (Registered Number: 10536855)

Statement of financial position as at 31 December 2022

Assets	Note	2022	2021
		£'000	£'000
Non-current assets			
Tangible assets	10	28	1
		28	1
Current assets			
Debtors: amounts falling due within one year	12	12,770	2,308
Stock	11	23,282	7,010
Cash at bank and in hand	13	4,805	12,722
		40,837	22,040
Creditors: amounts falling due within one year	14	(43,858)	(23,098)
Net current liabilities		(3,019)	(1,058)
Net liabilities		(2,991)	(1,057)
Capital and reserves			
Called up share capital	15		
Retained earnings		(2,991)	(1,057)
Shareholders' funds		(2,991)	(1,057)

The notes on pages 13 to 22 form part of these financial statements:

The financial statements were authorised for issue and were signed by the director on 22 Dec 2023

Mr Bin Liu
Director



Unumplus Limited

Statement of changes in equity for the year ended 31 December 2022

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 January 2021	-	(20)	(20)
Total comprehensive loss for the year	-	(1,037)	(1,037)
Balance at 31 December 2021	-	(1,057)	(1,057)
Total comprehensive loss for the year	-	(1,934)	(1,934)
Balance at 31 December 2022	-	(2,991)	(2,991)

The notes on pages 13 to 22 form part of these financial statements.

Unumplus Limited

Statement of cash flows for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Loss before tax		(1,934)	(1,037)
Adjustments for:			
Depreciation	6	4	6
Profit on disposal of property, plant and equipment		-	-
		<u>(1,930)</u>	<u>(1,031)</u>
Movements in working capital			
(Increase) in inventories	11	(16,252)	(3,103)
(Increase)/decrease in trade and other receivables	12	(10,462)	2,578
Increase in trade and other payables	14	20,758	12,688
Cash generated from operations		<u>(7,886)</u>	<u>11,132</u>
Income taxes paid		-	-
Net cash from operating activities		<u>(7,886)</u>	<u>11,132</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		<u>(31)</u>	-
Net cash from investing activities		<u>(31)</u>	-
Cash flows from financing activities			
Net (decrease)/increase in cash and cash equivalents		(7,917)	11,132
Cash and cash equivalents at the beginning of the year		<u>12,722</u>	<u>1,590</u>
Cash and cash equivalents at the end of the year		<u>4,805</u>	<u>12,722</u>

Unumplus Limited

Notes to the financial statements for the year ended 31 December 2022

1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England under company number 10536855. The address of the registered office is 7 Albert Buildings, 49 Queen Victoria Street, London, United Kingdom, EC4N 4SA.

2. Statement of compliance

The financial statements of Unumplus Limited have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in compliance with United Kingdom Accounting Standards, including with the Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

3. Summary of significant accounting policies

A summary of the significant accounting policies adopted by the Company is given in the following paragraphs. The policies have been consistently applied to all years presented, unless otherwise stated.

Presentation currency

The financial statements are prepared in £ sterling which is the functional currency of the company and all values are rounded to the nearest thousand (£'000), except where otherwise indicated.

Foreign exchange

Transactions in currencies other than the functional currency are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated to the functional currency at the exchange rate prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. All exchange differences are taken to profit or loss.

Going concern

The financial statements showed a loss after tax of £1,934,000 in the year and net liabilities of £2,991,000 at the balance sheet date.

The Company meets its daily working capital requirements through its bank facilities, suppliers payment deferral and parent company financial support. The long-term success of the business is dependent on it continuing to increase its turnover, effective cost management and careful cash flow management. The directors are confident that this can be achieved and thus the Company continues to adopt the going concern basis in preparing its financial statements.

We draw your attention on the ongoing legal case disclosed in note 16 which has the potential to impact the financial viability or continuity of the Company. However, based on ongoing legal advice, the outcome remains unknown and the potential liability, if any cannot be reliably quantified.

Turnover

Turnover comprises the sale of goods and rendering of services. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover from the sale of goods is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Turnover from the rendering of services is recognised by reference to an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

Pensions - Defined contribution pension scheme

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a scheme whose assets are held separately in independently administered funds. Once the contributions have been paid, the Company has no further payment obligations.

Unumplus Limited

Notes to the financial statements for the year ended 31 December 2022

(continued)

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are presented as accruals within creditors falling due within one year. Amounts paid in excess of contributions due are shown as prepayments within current assets.

Tangible fixed assets

Tangible fixed assets measured under the cost model per FRS 102, Section 17 Property Plant and Equipment, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure which 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if it meets the recognition criteria for an item of property, plant and equipment (i.e., if the replacement part is expected to provide future incremental benefit to the Company). The carrying amount of the replaced part is derecognised.

Computer equipment 3 years straight line

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

Profits and losses on disposal of assets are determined by comparing the proceeds with the carrying amounts and are recognised in profit or loss.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, freight, irrecoverable taxes and other directly attributable costs which are incurred by the entity in bringing the stock to its present location and condition. The cost methodology employed by the entity is the first-in first-out method. Estimated selling price less costs to complete and sell are derived from the selling price which the goods would fetch in an open market transaction with established customers less the costs expected to be incurred to enable the sale to complete.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unumplus Limited

Notes to the financial statements for the year ended 31 December 2022

(continued)

Leasing

Operating leases: Company as lessee

Operating lease rentals are charged to the Company profit and loss account on a straight-line basis over the lease term, except where the directors consider that another systematic basis would be more representative of the time pattern in which the economic benefits associated with the leased asset are consumed. Contingent rentals which arise under operating lease agreements are recognised as an expense in the period in which they are incurred. Lease incentives are recognised on a straight-line basis over the lease term.

Basic financial instruments

The Company has chosen to adopt FRS 102, Section 11 Basic Financial Instruments and 12 Other Financial Instruments Issues of FRS 102 in respect of financial instruments.

All financial assets and liabilities are initially measured at transaction price, including transaction costs, except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (at transaction price excluding transaction costs) unless the arrangement constitutes a financing transaction.

Financial assets and financial liabilities are only offset in the Company balance sheet when, and only when, there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments (other than those repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently amortised using the effective interest method.

Creditors

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

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 subsequently measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash on hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments which mature in no more than three months from the date of acquisition and which are readily convertible into known amounts of cash with insignificant risk of change in value.

Finance costs

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 financial instrument.

Impairment

Financial assets measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Unumplus Limited
Notes to the financial statements for the year ended 31 December 2022
(continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the Company transfers substantially all of the risks and rewards of ownership of the financial asset to another party; or
- the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities outlined below:

Impairment of stock

Management assesses the impairment of stock subject to damage, faulty, slow moving and obsolescence whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that may trigger an impairment review include the following: changes in the condition of assets or the strategy of the overall business, significant negative industry or economic trends, taking into account market knowledge, professional judgement and historical transactional comparable.

5. Turnover

The turnover and loss before taxation are attributable to the following activities of the company.

	2022	2021
	£'000	£'000
Sale of mobile phones	41,196	32,962
Recharged advertising services	3,917	-
Total	45,113	32,962

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An analysis of turnover by geographical market is given below:

	2022	2021
	£'000	£'000
United Kingdom	41,196	32,962
The People's Republic of China	3,917	-
Total	<u>45,113</u>	<u>32,962</u>

Turnover has increased significantly since 2021 due to the Company acquiring the business and operations of another group company in September 2022. See Note 18 for more information.

6. Operating loss

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

	2022	2021
	£'000	£'000
Operating leases	572	747
Depreciation	4	5
Auditor's remuneration	23	20
Foreign exchange loss/ (gain)	4	(2)

7. Employees

Staff costs, including directors' remuneration in the profit and loss account and statement of other comprehensive income, were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	1,724	805
Social security costs	153	99
Defined contribution scheme costs	35	18
	<u>1,912</u>	<u>922</u>

All staff costs are included within administrative expenses.

The average number of employees, including directors under service contracts, during the year were as follows:

	2022	2021
	No.	No.
Directors	2	2
Administrative and operations	18	10
	<u>20</u>	<u>12</u>

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8. Directors' remuneration

	2022	2021
	£'000	£'000
Directors' remuneration	59	-
Social security costs	7	-
Defined contribution scheme costs	2	-
	<u>68</u>	<u>-</u>

In the aggregate emoluments shown above, £68,000 (2021: £nil) relates to the highest paid director.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2021: £nil).

9. Taxation

	2022	2021
	£'000	£'000
Analysis of tax charge in the year		
Current tax	-	-
Deferred tax	-	-
Total tax charge in the statement of profit and loss and other comprehensive income	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£'000	£'000
Profit before tax	(1,934)	(1,037)
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(367)	(197)
Effects of:		
Expenses not deductible for tax purposes	6	4
Tax losses for which no deferred tax assets were recognised	361	196
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors affecting current and future tax charges

The standard rate of corporation tax in the UK is 19% for the year ended 31 December 2022 (2021: 19%). In the March 2021 budget, the UK Government announced that the rate of corporation tax, paid on company profits, is set to rise to 25% from 19%, starting from April 2023. A new small profits rate would maintain the 19% rate for firms with profits of £50,000 or less, and there will be a taper above £50,000, so that only businesses with profits of £250,000 or greater will be taxed at the full 25% rate.

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Deferred tax assets have not been recognised in respect of losses carried forward of £3,167,000 (2021: £1,228,000). Given the uncertainty about the availability of suitable taxable income to offset some of the losses, deferred tax assets of £802,000 (2021: £233,000) have not been recognised.

10. Tangible assets

	Computer Equipment	Total
	£'000	£'000
Cost		
As at 1 January 2021	30	30
Additions	-	-
Disposals	-	-
As at 31 December 2021	30	30
Accumulated depreciation		
As at 1 January 2021	23	23
Depreciation charge	6	6
Disposals	-	-
As at 31 December 2021	29	29
Net book value		
Cost	30	30
Accumulated depreciation	(29)	(29)
As at 31 December 2021	1	1
Cost		
As at 1 January 2022	30	30
Additions	31	31
Disposals	(15)	(15)
As at 31 December 2022	46	46
Accumulated depreciation		
As at 1 January 2022	29	29
Depreciation charge	4	4
Eliminated on disposal	(15)	(15)
As at 31 December 2022	18	18
Net book value		
Cost	46	46
Accumulated depreciation	(18)	(18)
As at 31 December 2022	28	28

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11. Stock

	2022	2021
	£'000	£'000
Finished goods	23,262	6,990
Goods in transit	-	30
	<u>23,262</u>	<u>7,010</u>

The company does not recognise a provision for obsolete stock on the basis that any losses made on the sale of stock are fully recoverable from the Company's suppliers of mobile telephone handsets and accessories.

Stock has increased significantly since 2021 due to the Company acquiring the business, stock and operations of another group company in September 2022. See Note 18 for more information.

12. Debtors

	2022	2021
	£'000	£'000
Due within one year		
Trade debtors	6,954	798
Amounts owed by related parties	4,487	92
Other debtors	377	1,400
Prepayments and accrued income	952	18
	<u>12,770</u>	<u>2,308</u>

Amounts owed by related parties are unsecured, interest-free and have no fixed date of repayment and are repayable on demand.

Secured Assets

During the previous year, the Company held an Import Duty Deferment Account which was secured on its assets. The cash deposit was unsecured during 2022, and so on the balance sheet date, the secured assets have a carrying amount of £Nil (2021: £919,000). The prior year secured assets figure is included in Other Debtors.

13. Cash and cash equivalents

	2022	2021
	£'000	£'000
Cash at bank and in hand	4,805	12,722
	<u>4,805</u>	<u>12,722</u>

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14. Creditors: Amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	7,954	22,070
Amounts owed to related parties	30,830	-
Taxation and social security	409	819
Other creditors	6	2
Accruals and deferred income	4,857	207
	43,856	23,098

15. Called up share-capital

	2022	2021
	£	£
Allotted, called-up and fully paid		
100 ordinary shares at £1 each	100	100
	100	100

16. Contingent liability

The Company has an ongoing legal case which was lodged by a competitor requesting compensation for alleged losses suffered. Following legal advice, there is uncertainty about the outcome of the case and the amount of liability cannot be reliably measured. Accordingly no provision has been recognised in the financial statements and the only cost incurred were those ordered by the courts.

17. Pension commitments

The company operates a defined contribution scheme. During the year the Company contributed £37,000 (2021: £19,000). There were £6,000 of contributions outstanding at the reporting date. (2021: £2,000).

18. Related party transactions

The Company is part of a group ("the Group") with the ultimate holding company disclosed below. On 1 September 2022, the Company was the recipient of a transfer of business from another company in the Group, Oppo Mobile UK Ltd (company number: 11222303 registered in England) ("the Transferor"), whose business was the wholesale of electronics, as an effort to consolidate the administration of the Group in its UK jurisdiction. The Company bought the stock from the Transferor at book value, which was equal to fair market value. All employees of the Transferor were transferred to the Company on 1 January 2023. The operations of the Transferor have remained independent, and it now operates as a separate branch of the Company.

Revenue of £13,424,000 (2021: £nil) and costs of £12,530,000 (2021: £nil) were derived from sales and purchases to and from Oppo Mobile UK Ltd, and £10,496,000 (2021: £nil) of these costs relate to the transfer of business. At the balance sheet date, there was a net receivable of £548,000 (2021: £nil) from Oppo Mobile UK Ltd.

Turnover of £3,879,000 (2021: £nil) was derived from OPPO Guangdong Mobile Communications Co., Ltd., a company under common control registered in the People's Republic of China, in respect of marketing services. At the balance sheet date £3,879,000 (2021: £nil) was receivable from OPPO Guangdong Mobile Communications Co., Ltd.

During the year purchases of £30,587,000 (2021: £nil) were made from Sky Royal Trading Limited, a company under common control registered in Hong Kong with registered address Unit 22, 6/F, 1 Hung To Road, Kowloon, Hong Kong.

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£22,058,000 (2021: £nil) was owed to them at the end of the year. This company is the new sole supplier of mobile telephones and accessories to Unumplus Limited.

During the year purchases of £42,000 (2021: £nil) were made from Reflection Investment B.V., a company under common control registered in the Netherlands. At the year-end £42,000 (2021: £nil) was outstanding.

19. Subsequent events

There were no adjusting events that occurred after the balance sheet date and up to the date of signing the annual financial statements.

On 1 April 2023, the Company was the recipient of a transfer of business from another company in the Group, OI DC UK Ltd (company number: 11684276 registered in England) ("the Transferor"), whose business was providing data services to other companies in the Group, as an effort to consolidate the administration of the Group in its UK jurisdiction. All employees of the Transferor were transferred to the Company. The operations of the Transferor have remained independent, and it now operates as a separate branch of the Company.

20. Controlling party

At the start of the reporting period, the immediate parent undertaking of the company was Sonic Sky Limited, a company incorporated in Hong Kong with registered address of Unit F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong. On 25th July 2022, the entire share capital of Unumplus Limited was transferred to Bravo Unicorn PTE Ltd, a company incorporated in Singapore with registered address of 100 Tras Street, #16-01, 100AM, Singapore 079027 and this company remains the immediate parent undertaking until the date of signing the accounts. The ultimate parent organisation and ultimate controlling party is Guangdong Oplus Holdings Limited Trade Union Committee, an organisation located in the People's Republic of China.