

Company registration number 02513009 (England and Wales)

**SCOLMORE (INTERNATIONAL) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2023**



# SCOLMORE (INTERNATIONAL) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr G C Mordue Mr J Rogers Mr K Beech Ms M Parry Mr B Taylor Mr J Hutchison
<b>Secretary</b>	Mr J Rogers
<b>Company number</b>	02513009
<b>Registered office</b>	Scolmore House Mariner , Lichfield Road Industrial Estate Tamworth Staffordshire B79 7UL
<b>Auditor</b>	Sumer Auditco Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA
<b>Business address</b>	Mariner Lichfield Road Industrial Estate Tamworth Staffordshire B79 7UL

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# SCOLMORE (INTERNATIONAL) LIMITED

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# SCOLMORE (INTERNATIONAL) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2023

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The directors present the strategic report for the year ended 30 April 2023.

#### Fair review of the business

##### **Statement of Income**

The group turnover for the year increased to £111,974k (2022: £96,096k).

During the year, the group made an operating profit of £14,251k (2022: £12,352k)

The result before taxation was £14,352k (2022: 12,507k)

The group made a net profit for the financial year, net of taxation, of £11,196k (2022: £10,165k)

##### **Statement of Financial Position**

Total assets increased during the year by £4,167k, a 4% increase. This movement primarily consists of an increase in trade debtors of £6,555k and increase in cash of £2,362k, offset by a decrease in stock of £4,579k.

Total liabilities at the year-end amounted to £37,169k (2022: 44,244k), a £7,075k decrease (16%). This movement primarily consists of a decrease in the factoring account balances of £7,862k and a decrease in the overall loan liability outstanding of £525k, offset by an increase in trade creditors of £1,931k.

##### **Statement of Cashflows**

The overall cash position has increased in the year by £2,362k (2022: £514k decrease).

This was driven by a net cash inflow from operating activities during the year of £3,726k (2022: £580k).

This was then offset by a cash outflow of investing activities of £775k (2022: £983k) and a cash outflow of financing activities of £589k (2022: £112k).

#### Principal risks and uncertainties

In light of the latest developments in the pandemic, virtually all control systems in place and governmental emergency measures implemented to contain the COVID-19 outbreak have now been discontinued. While still monitoring the global situation, the risk level has been degraded.

The UK's withdrawal from the EU, the Russian / Ukrainian conflict which started in February 2022 and the Gaza/ Israel/Middle East conflict which started in October 23, are still at the core of the political and financial instability which is currently affecting the market.

Observations concerning business risk that were embedded into last year's report are still relevant. In particular:

- energy price volatility as well as increased import/export bureaucracy is eroding profit margins,
- the international trade landscape is increasingly challenging.
- Continued high inflation
- Greatly increased interest rates

Importing and exporting, whilst less volatile, continues to present uncertainties in relation to shipping costs as they are expected to increase. This is to help the shipping companies offset any costs relating to enhancing their environmental credentials.

The systematic risk mapping exercise inspired by a state-of-the-art methodology introduced in FYE2022 will be refreshed in the coming financial year.

As we conclude the fiscal year, our focus on the evolving roles of Artificial Intelligence (AI) and cybersecurity within our business remains a top priority. In an environment where technological advancements are rapidly reshaping the business landscape, our commitment to exploring the potential of AI is aligned with a robust approach to cybersecurity and data privacy. This year has been significant in terms of strengthening our IT infrastructure. All areas of our IT system have undergone a rigorous audit process, enabling us to identify key areas of risk and opportunities for improvement. This comprehensive review has been instrumental in creating a future roadmap for the Group, aimed at minimising potential threats and maximising efficiency. As we move forward, our strategy is to responsibly explore and potentially adopt AI and related technologies, ensuring they are in line with our core business objectives and ethical standards. Our continual refinement of cybersecurity measures and the ongoing assessment of our digital infrastructure underscore our commitment to maintaining the integrity and resilience of our systems. By navigating these complex technological domains with a focus on responsible growth, security, and excellence, we aim to reinforce the trust of our stakeholders and position ourselves at the forefront of innovation in this dynamic era.

# **SCOLMORE (INTERNATIONAL) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2023**

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### **Development and performance**

Throughout the year and since year end, economic uncertainties and instabilities have consistently impacted business. This has presented many challenges but also opportunities in the marketplace. The directors are very pleased with the group's results during this volatile period.

We do not anticipate the market will stabilise any time soon and we are prepared for a potential downturn. We believe the group is likely to experience margin erosion as the market becomes more competitive with less project work and a developer requirement to make cost savings.

Slim-line processes have been implemented and a full integration of the Quality as well as Environmental Management System are now ongoing with a view to align all subsidiaries to the Group parent vision and strategy. We expect a full integration to be accredited by the end of the next financial year.

### **Key performance indicators**

The group measures its performance using a number of key performance indicators, including revenue, profit from operations and customer service levels delivered, which have been mentioned and commented on as part of the "review of the business" section of this report.

The quality objectives based on combined KPIs as well as the Environmental and Sustainability KPIs implemented in January 2023 remain consistent with the strategic goals.

In particular, they drive open discussions between different group businesses and departments around best practices and areas of common improvement as well as align remote locations to the group strategy, vision and controls.

### **Other performance indicators**

Employees training and awareness in compliance relevant topics has increased.

In particular, in line with the Anti-slavery and Human Trafficking policy launched in 2022, we have raised awareness within our workforce by providing training to our most exposed employees.

As of May 2023, 100% of the staff required have completed the programmed training modules.

The group continues to support the aims of the Modern Slavery act 2015 and is committed to working towards prevention of forced labour, slavery and human trafficking.

Following last year introduction of the Scolmore Supplier Code of Conduct and the Anti-slavery and Human Trafficking policy, and in line with the UN Global Compact, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises as well as other international standards, norms, and guidelines, a draft version of a Scolmore Code of Ethics is now ready for approval. We expect its launch to happen in Q2 next FY. The launch will be followed by the training of all employees. Publication of the mentioned Code of Ethics on the Group website will ensure maximum exposure.

Energy Performance Indicators introduced at the start of 2023 have enabled the Group to monitor and address gas and electricity usage and fossil fuel consumption related to business mileage. Maximum focus on carbon emissions reduction has determined the introduction of a strategy for identifying improvement opportunities.

# **SCOLMORE (INTERNATIONAL) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2023**

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### **Future developments**

Having embraced a more structured sustainability journey which covers the 4 UN Global Compact pillars, we are planning to expand the existing Legal and Compliance Team to incorporate an ESG (Environmental Social & Governance) analyst.

The ECOVADIS yearly submission will still be the drive for our sustainability strategy. A reporting system inspired by the principles of the GRI (Global Reporting Initiative) is expected to be introduced by Q4 of the next financial year.

Environmental aspects and impacts continue to be evaluated and environmental values and targets are now progressively being embedded in operational processes and staff training with the aim of achieving environmental accreditation, ISO14001, by Q4 2023.

A scope 3 mapping exercise linked to EPD (Environmental Product Declaration) / LCA (Life Cycle Assessment) will be actioned in Q4 FYE2024 / Q1 FYE2025.

To improve the sharing of knowledge and best practices between different departments, we will introduce a new quarterly strategic management meeting structured around ISO 9001 management reviews guidance.

Scolmore Group has a dedicated new product development team and has significant resources in R&D to ensure we are utilising the latest technologies to provide stakeholders with the most cost effective, time efficient solutions across a broad range of domestic and commercial applications.

A major project has been implemented to facilitate the reduction of plastic packaging in favour of greener alternatives across a broad range of products. Whilst significant progress has been made in this regard during the year, this will remain a key area of focus for the foreseeable future.

# SCOLMORE (INTERNATIONAL) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2023

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#### Promoting the success of the company

##### *Long term decisions and interests of employees*

Decisions made with a view to long term sustainable benefits for the group and its stakeholders have always been a principal focus. The comprehensive and inclusive way the group engages with employees, suppliers and customers remains fundamental to its success.

Our core values define us as a group, and how as individuals we conduct ourselves. They provide clear guidelines on how we can achieve the highest standards in all areas and create a cultural cradle for growth and sustainable development.

- U United in bringing together our values, ideals and goals to create a positive environment
- N We nurture our people and the relationships we have with our customers in order to develop mutually beneficial and respectful partnerships
- I We believe in innovation and actively encourage our employees to think creatively
- Q We operate a dynamic, ever-changing market. Quality is essential across every area of our business including service levels and products
- U Upskill – We invest in training and personal development across all areas of the business & provide opportunities for progression
- E We aspire to be excellent in all disciplines by listening to our stakeholders and formulating sustainability plans

The group commits to supporting the wellbeing of all employees. The group:

- provides access to an Employee Assistance Programme (EAP) which gives additional support to each individual confidentially. Support includes access to helplines for stresses and strains of life such as work advice, counselling, family issues, gambling, financial wellbeing, alcohol and drug issues.
- has introduced a healthcare and benefits plan that provides a wide range of healthcare benefits and a discount reward scheme.
- has invested in training in Mental Health First Aiders which helps to equip our managers and employees to care for the mental and physical health of all employees.

The increased number of employees has determined the need to review HR policies and procedures in order to foster and encourage more diversity. In light of the above a Menopause Policy and related Guidance was issued in June 2022, followed by a Mental Health and Wellbeing policy in January 2023.

H&S KPIs based on Severity Rate (Total number of days lost due to injuries) x 1,000 / total hours worked company-wide) and Frequency Rate (Total number of lost time injuries events x 1,000,000 / total hours worked company-wide) introduced in July 2023 and retrospectively applied, show that the Scolmore Group is a safe place to work. As a matter of fact, in the past 5 years there have been no RIDDOR reportable incidents and only 1 injury determined lost time.

In Q2 a new HR platform has been introduced to enhance trends analysis supporting more targeted recruitment and staff engagement strategies. We expect to harvest the benefits of the introduction of this new tool as well as of the expansion of the HR department in the next financial year.

The array of policies covering different aspects of the employee life and interaction with the employer has determined the need to introduce a new company handbook - currently in development - to provide clarity and guidance on all Group policies and procedures. Its expected launch will take place in Q3 FY2024.

# SCOLMORE (INTERNATIONAL) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2023**

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### *How the company fosters business relationships*

We believe that the quality of relationships with key stakeholders is fundamental to the ongoing success of the business. This quality is enhanced where relationships are mutually beneficial and are nurtured in the long term.

**Customers** – Continuous investment in achieving the highest levels of service across all areas of the business. Stock availability, delivery service levels, technical support and access to designated customer sales and support teams have enabled us to develop and maintain mutually beneficial relationships. Each customer is treated as an individual and will receive the service best suited to their needs.

**Suppliers**- Relationships are built on mutual respect and support. We see our suppliers as business partners and see the value in working collaboratively with the emphasis on fostering long term relationships.

Working together to maintain optimum stock levels and navigate the challenges within the supply chain has significantly contributed to our success and performance during some challenging periods

**Employees** – Investment in people is key to developing and maintaining a productive and engaged work force. Professional and personal development is fundamental in retaining our employees. All employees are supported by an employee assistance program (EAP). We are committed to working in partnership with our employees to create a working environment that focuses on employee wellbeing, productivity, sustainability and growth.

### *The impact of the company's operations on the community*

Our long-term business success and continuous growth is only possible by operating responsibly in alignment with universal standards and supporting the society.

This is why we pursue our growth in a sustainable way by taking care of the well-being of our human capital, the communities in which we operate as well as the planet in a compliant and responsible way.

### *Desireability to maintain high standards and act fairly*

Scolmore Group is committed to offer a high-quality product and a customer service level that exceeds all customer expectations, whilst:

- complying with legal and regulatory obligations as well as with any other requirements deemed relevant to the business,
- operating with respect and care for the environment,
- aiming at preventing pollution and reducing its carbon footprint,
- without compromising the health and safety of its employees, contractors, customers or the public.

On behalf of the board

Mr G C Mordue  
Director



17 January 2024

# SCOLMORE (INTERNATIONAL) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2023

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The directors present their annual report and financial statements for the year ended 30 April 2023.

#### Principal activities

The principal activity of the company and group continued to be that of importing and distributing electrical accessories and lighting.

#### Results and dividends

The results for the year are set out on page 13.

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

#### Directors

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

Mr G C Mordue  
Mr S Taylor  
Mr J Rogers  
Mr K Beech  
Ms M Parry  
Mr B Taylor  
Mr J Hutchison

(Resigned 30 June 2023)

#### Disabled persons

The Group seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities.

As an inclusive employer we continue to review our workplace in order to make adjustments as well as issue suitable policies and procedures to support prospect and current employees with disabilities

#### Employee involvement

The business is committed to providing personal and professional development opportunities to all its employees. We have provided training to Team Leaders and Managers to give them the skills to identify training needs and how to manage different social styles. This has seen the introduction of more regular 121's and people specific objectives, empowering people to have an input into their role and for improvements to be easily identified.

The company Learning Management System LMS is regularly updated with both mandatory and optional training material to educate and inform employees.

We provide an inclusive work environment where employees are encouraged to be their authentic selves and feedback is encouraged at all levels to ensure the Board of Directors receive a balanced viewpoint.

We will be looking to create a committee made up of employee volunteers to establish a forum to coordinate any Charity initiatives and also a company calendar for social events chosen by the employees.

A structured staff engagement survey linked to a materiality assessment will be launched by Q4 FYE2024 / Q1 FYW 2025.

#### Auditor

Sumer Auditco Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# SCOLMORE (INTERNATIONAL) LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2023

#### Energy and carbon report

As the company has consumed more than 40,000 kWh of energy in this reporting period, it is required to report on its emissions, energy consumption or energy efficiency activities.

	2023	2022
<i>Energy consumption</i>	<b>kWh</b>	<b>kWh</b>
Aggregate of energy consumption in the year	1,860,296	1,922,906
	<b>2023</b>	<b>2022</b>
<i>Emissions of CO2 equivalent</i>	<b>metric tonnes</b>	<b>metric tonnes</b>
Scope 1 - direct emissions		
- Gas combustion	124.54	119.40
- Fuel consumed for owned transport	133.65	160.50
	258.19	279.90
Scope 2 - indirect emissions		
- Electricity purchased	124.87	118.80
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	-	17.80
Total gross emissions	383.06	416.50
<i>Intensity ratio</i>		
Tonnes CO2e per employee	1.73	2.02

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

All conversion data was taken from the most up to date supplied data at the time of the delivery of the report.

During the current year calculations, it was realised that there was an error in the year ended 30 April 2022. This has been corrected in this year's data for comparison purposes after a thorough audit.

Vehicles were assumed to be virtually 100% from leased fleet vehicles in 2023, as employees have been encouraged to use pool cars for any business mileage. Previously, these calculation have been prepared assuming that approximately 10% of business travel was carried out using personal vehicles with mileage claims submitted. The DEFRA emissions conversion figures for various vehicle types has been used, based on the estimated proportion of company vehicles within each category during the year.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

The company has installed further electrical charging points to Scolmore House as well as light sensors within the main warehouses.

The number of hybrid and electric vehicles leased has greatly increased compared to petrol or diesel cars. Eco-driving recommendations have been introduced within the relevant Company policies and handbooks.

# SCOLMORE (INTERNATIONAL) LIMITED

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 APRIL 2023*

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### **Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of:

- Fair review of the business
- Principal risks and uncertainties

### **Statement of disclosure to auditor**

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

On behalf of the board

Mr G C Mordue  
Director



17 January 2024

# **SCOLMORE (INTERNATIONAL) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2023***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# SCOLMORE (INTERNATIONAL) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SCOLMORE (INTERNATIONAL) LIMITED

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#### Opinion

We have audited the financial statements of Scolmore (International) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 30 April 2023 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# SCOLMORE (INTERNATIONAL) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SCOLMORE (INTERNATIONAL) LIMITED

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#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent 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 parent 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.

*Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.*

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Reviewing fixed assets for evidence of impairment, and challenging any assumptions made in this assessment.
- Obtaining confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions, and ensuring that all balances are recoverable.
- Reviewing consolidation adjustments for completeness and evidence of management bias, and confirming their accuracy.

# SCOLMORE (INTERNATIONAL) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SCOLMORE (INTERNATIONAL) LIMITED

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



**Mr Martin John Bradley FCCA (Senior Statutory Auditor)**  
For and on behalf of Sumer Auditco Limited

Date: 29 JANUARY 2027

**Chartered Accountants**  
**Statutory Auditor**

The Beehive  
Beehive Ring Road  
London Gatwick Airport  
Gatwick  
United Kingdom  
RH6 0PA

# SCOLMORE (INTERNATIONAL) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 as restated £
<b>Turnover</b>	<b>3</b>	111,974,814	96,096,496
Cost of sales		(70,749,377)	(59,933,623)
<b>Gross profit</b>		<b>41,225,437</b>	<b>36,162,873</b>
Administrative expenses		(27,288,228)	(24,241,895)
Other operating income		313,693	430,540
<b>Operating profit</b>	<b>4</b>	<b>14,250,902</b>	<b>12,351,518</b>
Share of profits of associates		207,196	261,683
Interest receivable and similar income	<b>8</b>	63,846	710
Interest payable and similar expenses	<b>9</b>	(169,519)	(107,464)
Amounts written off investments	<b>10</b>	-	1,000
<b>Profit before taxation</b>		<b>14,352,425</b>	<b>12,507,447</b>
Tax on profit	<b>11</b>	(3,156,113)	(2,342,394)
<b>Profit for the financial year</b>		<b>11,196,312</b>	<b>10,165,053</b>
<i>Profit for the financial year is attributable to:</i>			
- Owner of the parent company		11,172,673	10,131,079
- Non-controlling interests		23,639	33,974
		<b>11,196,312</b>	<b>10,165,053</b>
<i>Total comprehensive income for the year is attributable to:</i>			
- Owner of the parent company		11,172,673	10,131,079
- Non-controlling interests		23,639	33,974
		<b>11,196,312</b>	<b>10,165,053</b>

# SCOLMORE (INTERNATIONAL) LIMITED

## GROUP BALANCE SHEET

AS AT 30 APRIL 2023

		2023		2022 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	12		562,629		667,399
Tangible assets	13		16,397,378		16,628,505
Investments	14		2,031,101		1,861,663
			<u>18,991,108</u>		<u>19,157,567</u>
<b>Current assets</b>					
Stocks	18	43,024,445		47,602,997	
Debtors	19	41,395,497		34,845,504	
Cash at bank and in hand		5,448,405		3,086,535	
			<u>89,868,347</u>		<u>85,535,036</u>
<b>Creditors: amounts falling due within one year</b>	20	(34,753,089)		(41,230,488)	
<b>Net current assets</b>			<u>55,115,258</u>		<u>44,304,548</u>
<b>Total assets less current liabilities</b>			<u>74,106,366</u>		<u>63,462,115</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(2,415,690)		(3,013,540)
<b>Provisions for liabilities</b>					
Deferred tax liability	24	1,068,883		1,023,094	
			<u>(1,068,883)</u>		<u>(1,023,094)</u>
<b>Net assets</b>			<u>70,621,793</u>		<u>59,425,481</u>
<b>Capital and reserves</b>					
Called up share capital	26		50,000		50,000
Profit and loss reserves			70,564,886		59,392,213
<b>Equity attributable to owner of the parent company</b>			<u>70,614,886</u>		<u>59,442,213</u>
<b>Non-controlling interests</b>			6,907		(16,732)
			<u>70,621,793</u>		<u>59,425,481</u>

The financial statements were approved by the board of directors and authorised for issue on 17 January 2024 and are signed on its behalf by:

Mr G C Mordue  
Director



Company registration number 02513009 (England and Wales)

# SCOLMORE (INTERNATIONAL) LIMITED

## COMPANY BALANCE SHEET

AS AT 30 APRIL 2023

	Notes	2023		2022 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		15,454,594		15,612,425
Investments	14		5,224,153		5,224,153
			<u>20,678,747</u>		<u>20,836,578</u>
<b>Current assets</b>					
Stocks	18	25,139,345		27,304,186	
Debtors	19	45,007,875		44,727,669	
Cash at bank and in hand		2,519,212		432,423	
		<u>72,666,432</u>		<u>72,464,278</u>	
<b>Creditors: amounts falling due within one year</b>	20	(24,430,945)		(33,387,089)	
<b>Net current assets</b>			<u>48,235,487</u>		<u>39,077,189</u>
<b>Total assets less current liabilities</b>			<u>68,914,234</u>		<u>59,913,767</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(2,359,002)		(2,901,816)
<b>Provisions for liabilities</b>					
Deferred tax liability	24	1,040,716		997,924	
		<u>(1,040,716)</u>		<u>(997,924)</u>	
<b>Net assets</b>			<u>65,514,516</u>		<u>56,014,027</u>
<b>Capital and reserves</b>					
Called up share capital	26		50,000		50,000
Profit and loss reserves			65,464,516		55,964,027
<b>Total equity</b>			<u>65,514,516</u>		<u>56,014,027</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £9,500,489 (2022 - £8,711,368 profit).

The financial statements were approved by the board of directors and authorised for issue on 17 January 2024 and are signed on its behalf by:

Mr G C Mordue  
Director



Company registration number 02513009 (England and Wales)

# SCOLMORE (INTERNATIONAL) LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2023

	Share capital £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>As restated for the period ended 30 April 2022:</b>					
<b>Balance at 1 May 2021</b>	50,000	49,922,743	49,972,743	-	49,972,743
Deferred tax adjustment	-	(661,609)	(661,609)	-	(661,609)
<b>As restated</b>	<b>50,000</b>	<b>49,261,134</b>	<b>49,311,134</b>	<b>-</b>	<b>49,311,134</b>
<b>Year ended 30 April 2022:</b>					
Profit and total comprehensive income	-	10,131,079	10,131,079	33,974	10,165,053
Acquisition of subsidiary	-	-	-	(50,706)	(50,706)
<b>Balance at 30 April 2022</b>	<b>50,000</b>	<b>59,392,213</b>	<b>59,442,213</b>	<b>(16,732)</b>	<b>59,425,481</b>
<b>Year ended 30 April 2023:</b>					
Profit and total comprehensive income	-	11,172,673	11,172,673	23,639	11,196,312
<b>Balance at 30 April 2023</b>	<b>50,000</b>	<b>70,564,886</b>	<b>70,614,886</b>	<b>6,907</b>	<b>70,621,793</b>

# SCOLMORE (INTERNATIONAL) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2023

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>As restated for the period ended 30 April 2022:</b>			
<b>Balance at 1 May 2021</b>	50,000	47,901,391	47,951,391
Deferred tax adjustment	-	(648,732)	(648,732)
	<hr/>	<hr/>	<hr/>
<b>As restated</b>	50,000	47,252,659	47,302,659
	<hr/>	<hr/>	<hr/>
<b>Year ended 30 April 2022:</b>			
Profit and total comprehensive income for the year	-	8,711,368	8,711,368
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2022</b>	50,000	55,964,027	56,014,027
	<hr/>	<hr/>	<hr/>
<b>Year ended 30 April 2023:</b>			
Profit and total comprehensive income	-	9,500,489	9,500,489
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2023</b>	50,000	65,464,516	65,514,516
	<hr/>	<hr/>	<hr/>

# SCOLMORE (INTERNATIONAL) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

		2023		2022 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31		7,172,205		2,377,640
Interest received			63,846		710
Interest paid			(169,519)		(107,464)
Income taxes paid			(3,340,986)		(1,690,533)
<b>Net cash inflow from operating activities</b>			<b>3,725,546</b>		<b>580,353</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(859,119)		(1,238,679)	
Proceeds from disposal of tangible fixed assets		46,680		115,085	
Purchase of subsidiaries, net of cash acquired		-		139,714	
Proceeds from disposal of associates		37,758		-	
Repayment of loans		-		1,000	
<b>Net cash used in investing activities</b>			<b>(774,681)</b>		<b>(982,880)</b>
<b>Financing activities</b>					
Proceeds from new bank loans		-		500,000	
Repayment of bank loans		(525,789)		(516,503)	
Payment of finance leases obligations		(63,206)		(95,102)	
<b>Net cash used in financing activities</b>			<b>(588,995)</b>		<b>(111,605)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>2,361,870</b>		<b>(514,132)</b>
Cash and cash equivalents at beginning of year			3,086,535		3,600,667
<b>Cash and cash equivalents at end of year</b>			<b>5,448,405</b>		<b>3,086,535</b>

# SCOLMORE (INTERNATIONAL) LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023		2022 as restated	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32		3,522,756		10,770,568
Interest received			403,969		180,647
Interest paid			(163,720)		(102,501)
Income taxes paid			(2,841,011)		(1,698,795)
<b>Net cash inflow from operating activities</b>			<u>921,994</u>		<u>9,149,919</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(766,104)		(1,078,743)	
Proceeds from disposal of tangible fixed assets		26,380		108,051	
Purchase of subsidiaries		-		(246,935)	
Repayment of loans		-		1,000	
<b>Net cash used in investing activities</b>			<u>(739,724)</u>		<u>(1,216,627)</u>
<b>Financing activities</b>					
Proceeds from new bank loans		-		500,000	
Repayment of bank loans		(475,027)		(440,526)	
Payment of finance leases obligations		(63,206)		(95,102)	
Amounts received from/(advanced to) group undertakings		2,442,752		(8,500,468)	
<b>Net cash generated from/(used in) financing activities</b>			<u>1,904,519</u>		<u>(8,536,096)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<u>2,086,789</u>		<u>(602,804)</u>
Cash and cash equivalents at beginning of year			<u>432,423</u>		<u>1,035,227</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>2,519,212</u></u>		<u><u>432,423</u></u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

#### Company information

Scolmore (International) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Scolmore House, Mariner, Lichfield Road Industrial Estate, Tamworth, Staffordshire, B79 7UL.

The group consists of Scolmore (International) Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Scolmore (International) Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

---

### 1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold land and buildings	2% straight line / 10% straight line
Plant and equipment	15% reducing balance / 20% straight line
Fixtures and fittings	15% straight line / 10% straight line
Computers	25% straight line / 33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.12 Cash and cash equivalents

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

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

---

### 1 Accounting policies

(Continued)

#### 1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.14 Equity instruments

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

#### 1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

---

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.16 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 stock or fixed 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.

#### **1.17 Retirement benefits**

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

#### **1.18 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies (Continued)

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Allowance for slow moving and obsolete stock*

Management estimates the net realisable value of inventories, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology and other market-driven changes that may reduce future selling price. The total of all stock provisions at 30 April 2023 was £1,969,801 (company £1,899,236).

### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	111,974,814	96,096,496
	<u>111,974,814</u>	<u>96,096,496</u>
	2023	2022
	£	£
<b>Turnover analysed by geographical market</b>		
UK	96,041,399	81,985,070
Overseas	15,933,415	14,111,426
	<u>111,974,814</u>	<u>96,096,496</u>
	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	63,846	710
Commissions received	2,161	5,387
	<u>66,007</u>	<u>6,097</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(524,105)	9,385
Research and development costs	408	4,252
Depreciation of owned tangible fixed assets	994,095	959,511
Depreciation of tangible fixed assets held under finance leases	60,059	22,554
Profit on disposal of tangible fixed assets	(10,588)	(14,313)
Amortisation of intangible assets	104,770	104,767
Operating lease charges	1,515,031	1,281,169
	<u>                    </u>	<u>                    </u>

### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	24,750	23,445
Audit of the financial statements of the company's subsidiaries	45,480	42,081
	<u>                    </u>	<u>                    </u>
	<u>70,230</u>	<u>65,526</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Production	66	55	6	5
Distribution	165	161	165	161
Administration	102	94	43	33
Management staff	7	7	7	7
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>340</u>	<u>317</u>	<u>221</u>	<u>206</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	15,059,453	13,716,995	10,844,844	9,639,665
Social security costs	1,705,191	1,469,407	1,238,361	1,049,674
Pension costs	805,945	706,816	637,493	556,280
	<u>17,570,589</u>	<u>15,893,218</u>	<u>12,720,698</u>	<u>11,245,619</u>

In addition to the group the average number of employees in the associated companies amounted to 35 (2022: 33).

### 7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	2,138,412	1,856,950
Company pension contributions to defined contribution schemes	26,630	23,490
	<u>2,165,042</u>	<u>1,880,440</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022 - 5).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	<u>772,025</u>	<u>658,350</u>

The remuneration above includes any remuneration paid by the group to directors of the parent company. Remuneration paid to any directors of the subsidiary companies only is not included.

### 8 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	1,611	710
Other interest income	62,235	-
Total income	<u>63,846</u>	<u>710</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

8	Interest receivable and similar income	(Continued)	
		2023	2022
		£	£
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	1,611	710
		<u>1,611</u>	<u>710</u>
9	Interest payable and similar expenses	2023	2022
		£	£
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	159,464	85,542
	Other interest on financial liabilities	-	13,175
		<u>159,464</u>	<u>98,717</u>
	<b>Other finance costs:</b>		
	Interest on finance leases and hire purchase contracts	10,055	5,267
	Other interest	-	3,480
		<u>10,055</u>	<u>8,747</u>
	Total finance costs	<u>169,519</u>	<u>107,464</u>
10	Amounts written off investments	2023	2022
		£	£
	Amounts written back to current loans	-	1,000
		<u>-</u>	<u>1,000</u>
11	Taxation	2023	2022
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	3,330,039	2,243,937
	Adjustments in respect of prior periods	(219,715)	(262,171)
		<u>3,110,324</u>	<u>1,981,766</u>
	Total current tax	<u>3,110,324</u>	<u>1,981,766</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	45,789	115,291
	Changes in tax rates	-	245,337
		<u>45,789</u>	<u>360,628</u>
	Total deferred tax	<u>45,789</u>	<u>360,628</u>
	Total tax charge	<u>3,156,113</u>	<u>2,342,394</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	14,352,425	12,507,447
Expected tax charge based on the standard rate of corporation tax in the UK of 19.48% (2022: 19.00%)	2,796,119	2,376,415
Tax effect of expenses that are not deductible in determining taxable profit	548,160	52,584
Tax effect of utilisation of tax losses not previously recognised	(6,570)	(80,487)
Adjustments in respect of prior years	(219,715)	(262,229)
Group relief	(6,233)	(22,420)
Permanent capital allowances in excess of depreciation	(39,195)	(117,355)
Deferred tax movement	45,789	360,628
Share of tax of associates	37,758	35,258
Taxation charge	3,156,113	2,342,394

### 12 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 May 2022 and 30 April 2023	1,047,670
<b>Amortisation and impairment</b>	
At 1 May 2022	380,271
Amortisation charged for the year	104,770
At 30 April 2023	485,041
<b>Carrying amount</b>	
At 30 April 2023	562,629
At 30 April 2022	667,399

The company had no intangible fixed assets at 30 April 2023 or 30 April 2022.

**SCOLMORE (INTERNATIONAL) LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2023**

**13 Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings</b>	<b>Leasehold land and buildings</b>	<b>Plant and equipment</b>	<b>Fixtures and fittings</b>	<b>Computers</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>							
At 1 May 2022	16,333,673	1,047,767	2,292,556	855,168	1,156,570	806,600	22,492,334
Additions	315,636	-	124,698	132,779	252,371	33,635	859,119
Disposals	-	-	(66,749)	(157,258)	(129)	(77,116)	(301,252)
At 30 April 2023	16,649,309	1,047,767	2,350,505	830,689	1,408,812	763,119	23,050,201
<b>Depreciation and impairment</b>							
At 1 May 2022	2,954,559	283,196	1,218,297	452,185	540,976	414,616	5,863,829
Depreciation charged in the year	328,762	32,807	255,119	86,306	253,154	98,006	1,054,154
Eliminated in respect of disposals	-	-	(45,563)	(157,258)	-	(62,339)	(265,160)
At 30 April 2023	3,283,321	316,003	1,427,853	381,233	794,130	450,283	6,652,823
<b>Carrying amount</b>							
At 30 April 2023	13,365,988	731,764	922,652	449,456	614,682	312,836	16,397,378
At 30 April 2022	13,379,114	764,571	1,074,259	402,983	615,594	391,984	16,628,505

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 May 2022	16,333,673	2,158,053	513,136	1,075,231	767,856	20,847,949
Additions	315,636	117,198	74,283	225,352	33,635	766,104
Disposals	-	(5,403)	-	(129)	(71,550)	(77,082)
At 30 April 2023	16,649,309	2,269,848	587,419	1,300,454	729,941	21,536,971
<b>Depreciation and impairment</b>						
At 1 May 2022	2,954,559	1,141,227	248,643	482,406	408,689	5,235,524
Depreciation charged in the year	328,762	221,841	30,119	237,006	91,107	908,835
Eliminated in respect of disposals	-	(2,632)	-	-	(59,350)	(61,982)
At 30 April 2023	3,283,321	1,360,436	278,762	719,412	440,446	6,082,377
<b>Carrying amount</b>						
At 30 April 2023	13,365,988	909,412	308,657	581,042	289,495	15,454,594
At 30 April 2022	13,379,114	1,016,826	264,493	592,825	359,167	15,612,425

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Motor vehicles	180,176	240,235	180,176	240,235

The directors consider that the difference between net book value and market value of freehold land and buildings is not significant for the company and group.

#### 14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	5,224,153	5,224,153
Investments in associates	16	2,031,101	1,861,663	-	-
		2,031,101	1,861,663	5,224,153	5,224,153

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 14 Fixed asset investments (Continued)

#### Movements in fixed asset investments Group

	Shares in associates £
<b>Cost or valuation</b>	
At 1 May 2022	1,861,663
Share of profit of associates	169,438
	<u>2,031,101</u>
At 30 April 2023	<u>2,031,101</u>
<b>Carrying amount</b>	
At 30 April 2023	<u>2,031,101</u>
	<u>1,861,663</u>
At 30 April 2022	<u>1,861,663</u>

#### Movements in fixed asset investments Company

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 May 2022 and 30 April 2023	5,224,153
	<u>5,224,153</u>
<b>Carrying amount</b>	
At 30 April 2023	<u>5,224,153</u>
	<u>5,224,153</u>
At 30 April 2022	<u>5,224,153</u>

### 15 Subsidiaries

Details of the company's subsidiaries at 30 April 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Elite Security Products Limited	Unit 7 Target Park Shawbank Road, Lakeside, Redditch, Worcestershire, B98 8YN	Ordinary	100.00	-
Unicrimp Limited	Scolmore House Mariner, Lichfield Road Industrial Estate, Tamworth, Staffordshire, United Kingdom, B	Ordinary	100.00	-
Sangamo Limited	Scolmore House Mariner, Lichfield Road Industrial Estate, Tamworth, Staffordshire, United Kingdom, B	Ordinary	100.00	-
Scolmore International Middle East FZE	Warehouse FZLIU10BC07, Jebel Ali, Dubai, UAE	Ordinary	100.00	-
Scolmore International Electrical Trading LLC	Lake Central Tower, Office 1803, Business Bay, Dubai, UAE	Ordinary	-	100.00
Lumen 8 Lighting (HK) Limited (Hong Kong)	Unit 507, 5/F, Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong	Ordinary	100.00	-
Click Scolmore Electrical & Lighting (Hangzhou) Limited	Unit 507, 5/F, Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong	Ordinary	-	100.00
Ovia Limited	Scolmore House Mariner, Lichfield Road Industrial Estate, Tamworth, Staffordshire, United Kingdom, B	Ordinary	90.00	-

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 16 Associates

Details of associates at 30 April 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Ovia Ireland Limited	18 Corrig Road, Sandyford Industrial Estate, Dublin 18	Ordinary	-	45
Litehouse Accessories Limited	18 Corrig Road, Sandyford Industrial Estate, Dublin 18	Ordinary	50	-
Elite Security Products Ireland Limited	18 Corrig Road, Sandyford Industrial Estate, Dublin 18	Ordinary	-	50

### 17 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	46,049,398	37,515,013	46,469,399	43,852,569
Equity instruments measured at cost less impairment	2,031,101	1,861,663	5,224,153	5,224,153
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	16,400,814	14,469,827	11,880,196	12,880,630
Loan commitments measured at cost less impairment	15,476,362	23,879,675	11,182,219	18,779,947

### 18 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	43,024,445	47,602,997	25,139,345	27,304,186

### 19 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	39,077,218	32,521,965	27,557,749	24,697,176
Amounts owed by group undertakings	-	-	15,920,493	18,363,245
Other debtors	961,146	1,239,114	561,433	918,237
Prepayments and accrued income	1,357,133	1,084,425	968,200	749,011
	41,395,497	34,845,504	45,007,875	44,727,669

Included within the group's trade debtors are factored debts of £35,412,395 (2022: £30,127,947)

Included within the parent company's trade debtors are factored debts of £24,711,367 (2022: £20,677,127)

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2023

#### 20 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	22	1,996,160	1,991,886	1,940,526	1,940,526
Obligations under finance leases	23	67,797	63,216	67,797	63,216
Trade creditors		16,400,814	14,469,827	11,880,196	12,880,630
Corporation tax payable		1,902,285	2,132,947	1,478,349	1,801,001
Other taxation and social security		864,021	725,181	270,976	252,476
Other creditors		11,190,439	19,052,015	6,984,640	14,087,702
Accruals and deferred income		2,331,573	2,795,416	1,808,461	2,361,538
		<u>34,753,089</u>	<u>41,230,488</u>	<u>24,430,945</u>	<u>33,387,089</u>

Included in other creditors are invoice discounting arrangements of £11,164,725 (2022 £19,042,249) at the year end. The securities given are fixed and floating charges over the assets of the company concerned and/or secured upon the trade debtors of the company concerned.

#### 21 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	22	2,315,477	2,845,540	2,258,789	2,733,816
Obligations under finance leases	23	100,213	168,000	100,213	168,000
		<u>2,415,690</u>	<u>3,013,540</u>	<u>2,359,002</u>	<u>2,901,816</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>496,684</u>	<u>971,712</u>	<u>496,684</u>	<u>971,712</u>
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# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 22 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	4,311,637	4,837,426	4,199,315	4,674,342
Payable within one year	1,996,160	1,991,886	1,940,526	1,940,526
Payable after one year	2,315,477	2,845,540	2,258,789	2,733,816

The long-term loans with Lloyds Bank plc are secured as follows:

- Mortgage dated 15 November 2019 over freehold property at units 3 & 4 Mariner and Scolmore Park in Tamworth,
- Mortgage dated 28 November 2008 over freehold property at unit 5 Mariner in Tamworth,
- Mortgage dated 28 August 2015 over freehold property at unit 2 Mariner in Tamworth,
- Mortgage dated 15 November 2019 over freehold property of the land lying north west of Mariner in Tamworth, and
- Mortgage dated 2 July 2019 over leasehold property and units 4 & 5 Target Park in Redditch.
- Mortgage dated 8 June 2022 over freehold property Railcare House, Mariner in Tamworth.

There was also an unlimited debenture lodged in favour of Lloyds Bank plc on 10 January 2020, supplemental to previous guarantees on 5 June 2017 and 14 September 2015 over the assets of the company. This related to a cross guarantee for Scolmore (International) Limited group.

Interest on the company's bank loans is charged at between 1% and 1.75% above the Bank of England base rate.

### 23 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	67,797	63,216	67,797	63,216
In two to five years	100,213	168,000	100,213	168,000
	<u>168,010</u>	<u>231,216</u>	<u>168,010</u>	<u>231,216</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Liabilities are secured on the assets to which they relate.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities 2023 £</b>	<b>Liabilities 2022 £</b>
<b>Group</b>		
Accelerated capital allowances	1,068,883	1,023,094
	<u>1,068,883</u>	<u>1,023,094</u>
	<b>Liabilities 2023 £</b>	<b>Liabilities 2022 £</b>
<b>Company</b>		
Accelerated capital allowances	1,040,716	997,924
	<u>1,040,716</u>	<u>997,924</u>
	<b>Group 2023 £</b>	<b>Company 2023 £</b>
<b>Movements in the year:</b>		
Liability at 1 May 2022	1,023,094	997,924
Charge to profit or loss	45,789	42,792
	<u>1,068,883</u>	<u>1,040,716</u>
Liability at 30 April 2023	<u>1,068,883</u>	<u>1,040,716</u>

Of the group deferred tax liability set out above, £125,539 is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

Of the parent company deferred tax liability set out above, £109,253 is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 25 Retirement benefit schemes

	<b>2023 £</b>	<b>2022 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	805,945	706,816
	<u>805,945</u>	<u>706,816</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 26 Share capital

	<b>2023 Number</b>	<b>2022 Number</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Group and company</b>				
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 27 Operating lease commitments

#### Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	364,658	501,460	351,725	494,803
Between two and five years	144,356	519,707	137,890	487,376
	<u>509,014</u>	<u>1,021,167</u>	<u>489,615</u>	<u>982,179</u>

### 28 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
<b>Group</b>				
Entities over which the group has control, joint control or significant influence	8,693,872	8,022,449	2,930	-
Other related parties	49,302	33,434	125,737	361,094
	<u>8,743,174</u>	<u>8,055,883</u>	<u>128,667</u>	<u>361,094</u>
<b>Company</b>				
Entities over which the company has control, joint control or significant influence	6,554,637	6,632,754	11,548	11,005
Other related parties	8,905	7,771	90,524	339,879
	<u>6,563,542</u>	<u>6,640,525</u>	<u>102,072</u>	<u>350,884</u>
	Management charges receivable 2023 £	2022 £	Interest & royalties receivable 2023 £	2022 £
<b>Group</b>				
Entities over which the entity has control, joint control or significant influence	261,331	246,817	-	-
	<u>261,331</u>	<u>246,817</u>	<u>-</u>	<u>-</u>
<b>Company</b>				
Entities over which the entity has control, joint control or significant influence	617,411	602,897	363,391	203,570
	<u>617,411</u>	<u>602,897</u>	<u>363,391</u>	<u>203,570</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 28 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023 £	2022 £
<b>Group</b>		
Entities over which the group has control, joint control or significant influence	277,341	244,730
Other related parties	7,555	17,239
	<u>284,896</u>	<u>261,969</u>
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	541	209,597
Other related parties	6,062	17,040
	<u>6,603</u>	<u>226,637</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023 Balance £	2022 Balance £
<b>Group</b>		
Entities with control, joint control or significant influence over the group	288,419	266,379
Entities over which the group has control, joint control or significant influence	2,929,285	2,938,336
Other related parties	41,955	45,148
	<u>3,259,659</u>	<u>3,249,863</u>
<b>Company</b>		
Entities with control, joint control or significant influence over the company	288,419	266,379
Entities over which the company has control, joint control or significant influence	11,325,346	14,134,314
Other related parties	33,760	37,771
	<u>11,947,525</u>	<u>14,438,464</u>

#### Other information

The company has an omnibus guarantee and set off agreements date 14 September 2015 (supplemented 5 June 2017 and 10 January 2020) in favour of this group's banking arrangements, along with its subsidiaries Unicrimp Limited, Elite Security Products Limited and Ovia Limited.

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 29 Directors' transactions

Dividends totalling £0 (2022 - £0) were paid in the year in respect of shares held by the company's directors.

Interest free loans have been granted by the group to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr G C Mordue - Director's loan	-	17,903	214,248	(233,888)	(1,737)
		<u>17,903</u>	<u>214,248</u>	<u>(233,888)</u>	<u>(1,737)</u>

### 30 Controlling party

The ultimate controlling party is the estate of the late B Mordue, which owns the entire issued share capital.

### 31 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	11,196,312	10,165,053
<b>Adjustments for:</b>		
Share of results of associates and joint ventures	(207,196)	(261,683)
Taxation charged	3,156,113	2,342,394
Finance costs	169,519	107,464
Investment income	(63,846)	(710)
Gain on disposal of tangible fixed assets	(10,588)	(14,313)
Amortisation and impairment of intangible assets	104,770	104,767
Depreciation and impairment of tangible fixed assets	1,054,154	982,065
Other gains and losses	-	(1,000)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	4,578,552	(18,401,542)
(Increase)/decrease in debtors	(6,549,993)	5,992,937
(Decrease)/increase in creditors	(6,255,592)	1,362,208
<b>Cash generated from operations</b>	<u>7,172,205</u>	<u>2,377,640</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 32 Cash generated from operations - company

	2023 £	2022 £
Profit for the year after tax	9,500,489	8,711,368
<b>Adjustments for:</b>		
Taxation charged	2,561,151	2,071,439
Finance costs	163,720	102,501
Investment income	(403,969)	(180,647)
Amounts received from/(advanced to) group undertakings	(2,442,752)	8,500,468
Gain on disposal of tangible fixed assets	(11,280)	(13,411)
Depreciation and impairment of tangible fixed assets	908,835	846,062
Other gains and losses	-	(1,000)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	2,164,841	(11,291,309)
Increase in debtors	(280,206)	(7,714,409)
(Decrease)/increase in creditors	(8,638,073)	9,739,506
<b>Cash generated from operations</b>	<u>3,522,756</u>	<u>10,770,568</u>

### 33 Analysis of changes in net funds/(debt) - group

	1 May 2022 £	Cash flows £	30 April 2023 £
Cash at bank and in hand	3,086,535	2,361,870	5,448,405
Borrowings excluding overdrafts	(4,837,426)	525,789	(4,311,637)
Obligations under finance leases	(231,216)	63,206	(168,010)
	<u>(1,982,107)</u>	<u>2,950,865</u>	<u>968,758</u>

### 34 Analysis of changes in net debt - company

	1 May 2022 £	Cash flows £	30 April 2023 £
Cash at bank and in hand	432,423	2,086,789	2,519,212
Borrowings excluding overdrafts	(4,674,342)	475,027	(4,199,315)
Obligations under finance leases	(231,216)	63,206	(168,010)
	<u>(4,473,135)</u>	<u>2,625,022</u>	<u>(1,848,113)</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2023

#### 35 Prior period adjustment

##### Reconciliation of changes in equity - group

	Notes	1 May 2021 £	30 April 2022 £
<b>Adjustments to prior year</b>			
Deferred tax	1	(648,732)	(1,022,237)
Equity as previously reported		49,972,743	60,447,718
Equity as adjusted		<u>49,324,011</u>	<u>59,425,481</u>
<b>Analysis of the effect upon equity</b>			
Profit and loss reserves		<u>(648,732)</u>	<u>(1,022,237)</u>

##### Reconciliation of changes in profit for the previous financial period

	Notes	2022 £
<b>Adjustments to prior year</b>		
Deferred tax	1	(360,628)
Profit as previously reported		10,263,998
Profit as adjusted		<u>9,903,370</u>

##### Reconciliation of changes in equity - company

		1 May 2021 £	30 April 2022 £
<b>Adjustments to prior year</b>			
Deferred tax	1	(648,732)	(997,924)
Equity as previously reported		47,951,391	57,011,951
Equity as adjusted		<u>47,302,659</u>	<u>56,014,027</u>
<b>Analysis of the effect upon equity</b>			
Profit and loss reserves		<u>(648,732)</u>	<u>(997,924)</u>

##### Reconciliation of changes in profit for the previous financial period

		2022 £
<b>Adjustments to prior year</b>		
Deferred tax	1	(349,192)
Profit as previously reported		9,060,560
Profit as adjusted		<u>8,711,368</u>

# SCOLMORE (INTERNATIONAL) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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35 Prior period adjustment

(Continued)

### Notes to reconciliation

#### Deferred tax

A deferred tax provision has been included in the financial statements of the group and company due to taxable timing differences. The prior year's financial statements have been restated to reflect this.