

Company registration number 02513009 (England and Wales)

SCOLMORE (INTERNATIONAL) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

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SCOLMORE (INTERNATIONAL) LIMITED

COMPANY INFORMATION

Directors	Mr G C Mordue Mr J Rogers Mr K Beech Ms M Parry Mr B Taylor Mr M Byrne	(Appointed 10 May 2024)
Secretary	Mr J Rogers	
Company number	02513009	
Registered office	Scolmore House Mariner , Lichfield Road Industrial Estate Tamworth Staffordshire B79 7UL	
Auditor	Sumer Auditco Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA	
Business address	Mariner Lichfield Road Industrial Estate Tamworth Staffordshire B79 7UL	

SCOLMORE (INTERNATIONAL) LIMITED

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SCOLMORE (INTERNATIONAL) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2024

The directors present the strategic report for the year ended 30 April 2024.

Fair review of the business

Statement of Income

The group turnover for the year increased to £120,089k (2023: £111,975k).

During the year, the group made an operating profit of £18,168k (2023: £14,251k)

The profit before taxation was £18,731k (2023: £14,352k)

The group made a net profit for the financial year, net of taxation, of £13,876k (2023: £11,196k)

Statement of Financial Position

Total assets increased during the year by £892k, a 0.8% increase.

This movement primarily consists of an increase in trade debtors of £2,714k and increase in cash of £1,079k, offset by a decrease in stock of £3,101k.

Total liabilities at the year-end amounted to £24,119k (2023: 37,169k), a £13,050k decrease (35%).

This movement primarily consists of decreases in the factoring account balances of £7,475k, the overall loan liability outstanding of £2,043k, the corporation tax payable of £1,779k, and trade creditors of £1,746k.

Statement of Cashflows

The overall cash position has increased in the year by £1,079k (2023: £2,362k increase).

This was driven by a net cash inflow from operating activities during the year of £4,020k (2023: £3,763k).

This was then offset by a cash outflow of investing activities of £757k (2023: £812k) and a cash outflow of financing activities of £2,184k (2023: £589k).

Principal risks and uncertainties

Global political and financial instability continue to adversely affect the market. Whilst the immediate impacts associated with the UK's withdrawal from the EU and the Covid19 pandemic are no longer being felt, both the Russia / Ukraine conflict and the Israel / Middle East conflict continue to disrupt markets. During the year, conflict has escalated such that shipping routes through the Red Sea have become very high risk. This has resulted in significantly increased shipping times from the Far East together with dramatic increases in shipping costs. It remains highly uncertain when or if this situation will improve.

A widely anticipated recession failed to materialise in the UK last year though the economy showed minimal growth. However, in the electrical sector many indicators suggest a shrinking marketplace other than in the renewable energy sector, with ever increasing pressure for competitive pricing. Margin erosion can be expected in the coming year.

Significant reductions in inflation are welcome but it is too early to be certain that a return to stable low levels has been achieved and consequently too soon to anticipate any material reduction in interest rates.

The labour market remains competitive but is showing signs of weakening with vacancies slowly coming down from their historic high and unemployment levels increasing, albeit still at a very low level. A weakening labour market will affect the very high rates of wage growth experienced in recent years, but this is still expected to remain relatively high in 2024.

The change of government in the UK introduces enhanced uncertainty connected to policy.

The systematic risk mapping exercise introduced two years ago is continuously updated and enhanced.

Environmental risks continue to dominate the risks landscape as society is now exploring the consequences of passing at least one "climate tipping point" within the next decade. Recent research suggests that the threshold for triggering long-term, potentially irreversible and self-perpetuating changes to select planetary systems is likely to be passed at or before 1.5°C of global warming, which is currently anticipated to be reached by the early 2030s. The market is increasingly sensitive to the environmental credentials of individual businesses. Any failure to clearly demonstrate comprehensive strategies towards decarbonisation and waste reduction is increasingly likely to result in loss of trade.

SCOLMORE (INTERNATIONAL) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

Development and performance

The risks and uncertainties detailed above have combined to continue the volatile trading environment which has now existed for the last few years. The Directors are very pleased with the company results in the face of the challenges and opportunities prevalent in the marketplace.

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

A full integration of the Quality and Environmental Management system has now been successfully completed and accredited. In FYE 2025 the Group vision will be further strengthened via the introduction of a more modern and interactive intranet while reinforcing record management and easing access to business knowledge.

A comprehensive project for the improvement of all key business systems is now well underway. This is a very major project which will run for several years in a carefully managed phased process. The initial focus on infrastructure and Cybersecurity has now progressed to the implementation of a new Product Information Management system. Thorough project management and comprehensive training will continue throughout this development process.

Key performance indicators

The company measures its performance using a number of key performance indicators, including revenue, profit from operations and customer service levels delivered.

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.

The assessment of the Group environmental aspects and impacts has led to embedding values and targets into operational processes and staff training.

An assessment of these performance indicators is shown within the "Fair review of the business" section of this report, showing another year of growth and strong performance by the company.

SCOLMORE (INTERNATIONAL) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

Other performance indicators

Over 90% of the workforce has completed training in topics relevant to compliance.

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 the introduction of the Scolmore Supplier Code of Conduct and the Anti-slavery and Human Trafficking policy in 2021, 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, in Q2 we launched the Scolmore Code of Ethics, available on the Group website.

Energy Performance Indicators introduced at the start of 2023 continue to enable the Group to monitor gas, electricity usage and fossil fuel consumption related to business mileage in order to pursue improvement opportunities.

A major project aimed at reducing plastic packaging in favour of greener alternatives across a broad range of products has started. Whilst significant progress has already been made, product sustainability will remain a key area of focus for the foreseeable future.

Work carried out around the 4 pillars of sustainability (i.e. Labour Practices, Ethics, Environment and Sustainable Procurement) has proved to be successful as evidenced by the improved Ecovadis rating from 49/100 to 56/100 awarded in October 2023.

The plans to expand the existing Legal and Compliance Team in order to support the sustainability journey inspired by the 4 UN Global Compact pillars, have materialised with the appointment of the ESG (Environmental Social & Governance) analyst in Q4.

Explorative work around scope 3 inventory in line with the Green House Gas protocol started in Q4 FYE24 are expected to deliver first carbon emission inventory in Q3-Q4 FYE2025.

In Q2 the Strategic Management Meeting was restructured in line with ISO 9001 management reviews guidance, which was followed - immediately - after by the introduction of a PMO (Project Management Office). Both initiatives have greatly improved business knowledge sharing, enhanced best practices and reinforced the systematic process approach required by the size of the business.

The ongoing expansion of the IT team, started in FYE2023, will improve security, productivity and efficiency, enabling business expansion.

In alignment with this strategy, a newly created role of Director of Operations and Logistics has been identified as critical in supporting the automation of our logistics and distribution operations across the group.

Future developments

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.

The Board have decided to recruit a Purchasing Director to oversee all aspects of the supplier interactions working closely with the technical aspects of product development as well as managing all aspects of procurement and supply chain.

Warehouse space in Tamworth is overly utilised to an extent that operational inefficiencies are being experienced. New additional premises have been leased which will provide bespoke storage for lighting products which will be relocated from the Tamworth site. Once the lighting products have been moved, the usage of the various warehouses in Tamworth will be reconfigured to reduce insurance risk and enhance disaster recovery plans.

SCOLMORE (INTERNATIONAL) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

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 Company and its stakeholders have always been a principal focus. The comprehensive and inclusive way the Company engages with employees, suppliers and customers remains fundamental to its success.

Our core values define us as a Company, 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 Company commits to supporting the wellbeing of all employees. The Company:

- 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.

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, prove 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 2 minor injuries determined an insignificant time loss.

In the next financial year, together with supporting more initiative aimed at staff wellbeing, we intend to emphasise the importance of Mental Health by increasing the number of first aiders trained on this matter as well as providing training to managers in recognising the signs of mental health issues.

The staff handbook project aimed at providing clarity and guidance on all Group policies and procedures is nearly completed and its launch will follow in the early part of Q1 FYE2025

In the meanwhile, a more robust record management process has been introduced, enabling more systematic policies review.

SCOLMORE (INTERNATIONAL) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

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.

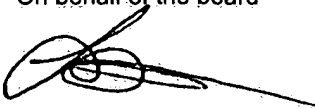
This is why we pursue our growth in a sustainable way by taking care of the well-being of our human capital, the communities in which we operate as well as the planet in a compliant and responsible way.

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

20 January 2025

SCOLMORE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024

The directors present their annual report and financial statements for the year ended 30 April 2024.

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

(Resigned 30 June 2023)

Mr J Rogers

Mr K Beech

Ms M Parry

Mr B Taylor

Mr J Hutchison

(Resigned 6 January 2025)

Mr M Byrne

(Appointed 10 May 2024)

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 in Q1 FYE 2025.

Auditor

The auditor, Sumer Auditco Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

SCOLMORE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

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.

	2024	2023
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year	2,015,464	1,860,296
	2024	2023
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	128.04	124.54
- Fuel consumed for owned transport	139.28	133.65
	267.32	258.19
Scope 2 - indirect emissions		
- Electricity purchased	155.57	124.87
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	-	-
Total gross emissions	422.89	383.06
<i>Intensity ratio</i>		
Tonnes CO2e per employee	1.78	1.73

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 2023 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.

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 have increased the number of electric and hybrid vehicles offered to staff members, and greatly reduced the number of purely diesel and petrol vehicles.

The company has also introduced a new Eco-driving section in their drivers' handbook and training.

SCOLMORE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

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

20 January 2025

SCOLMORE (INTERNATIONAL) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2024

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

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 2024 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 2024 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

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)

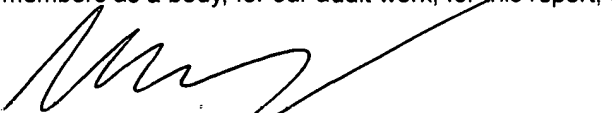
TO THE MEMBERS OF SCOLMORE (INTERNATIONAL) LIMITED

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 Bradley FCCA (Senior Statutory Auditor)

For and on behalf of Sumer Auditco Limited, Statutory Auditor

Chartered Accountants

The Beehive

Beehive Ring Road

London Gatwick Airport

Gatwick

RH6 0PA

United Kingdom

22 January 2025

SCOLMORE (INTERNATIONAL) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2024

	Notes	2024 £	2023 £
Turnover	3	120,089,201	111,974,816
Cost of sales		(70,993,662)	(70,749,377)
Gross profit		49,095,539	41,225,439
Administrative expenses		(30,705,060)	(27,288,230)
Other operating income		309,347	313,693
Product development costs	4	(531,891)	-
Operating profit	5	18,167,935	14,250,902
Share of profits of associates		668,525	207,196
Interest receivable and similar income	9	92,598	63,846
Interest payable and similar expenses	10	(198,334)	(169,519)
Profit before taxation		18,730,724	14,352,425
Tax on profit	11	(4,854,630)	(3,156,113)
Profit for the financial year		13,876,094	11,196,312
Profit for the financial year is attributable to:			
- Owner of the parent company		13,838,907	11,172,673
- Non-controlling interests		37,187	23,639
		13,876,094	11,196,312
Total comprehensive income for the year is attributable to:			
- Owner of the parent company		13,838,907	11,172,673
- Non-controlling interests		37,187	23,639
		13,876,094	11,196,312

SCOLMORE (INTERNATIONAL) LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Goodwill	12		492,301		562,629
Tangible assets	13		16,192,358		16,397,378
Investments	14		2,611,362		2,031,101
			<u>19,296,021</u>		<u>18,991,108</u>
Current assets					
Stocks	18	39,922,846		43,024,445	
Debtors	19	44,005,524		41,395,497	
Cash at bank and in hand		6,527,472		5,448,405	
		<u>90,455,842</u>		<u>89,868,347</u>	
Creditors: amounts falling due within one year	20	(22,286,538)		(34,753,089)	
Net current assets			<u>68,169,304</u>		<u>55,115,258</u>
Total assets less current liabilities			<u>87,465,325</u>		<u>74,106,366</u>
Creditors: amounts falling due after more than one year	21		(1,832,688)		(2,415,690)
Provisions for liabilities					
Deferred tax liability	24	1,134,750		1,068,883	
		<u>(1,134,750)</u>		<u>(1,068,883)</u>	
Net assets			<u>84,497,887</u>		<u>70,621,793</u>
Capital and reserves					
Called up share capital	26		50,000		50,000
Profit and loss reserves			84,403,793		70,564,886
			<u>84,453,793</u>		<u>70,614,886</u>
Equity attributable to owner of the parent company			<u>84,453,793</u>		<u>70,614,886</u>
Non-controlling interests			44,094		6,907
			<u>84,497,887</u>		<u>70,621,793</u>
Total equity			<u>84,497,887</u>		<u>70,621,793</u>

The financial statements were approved by the board of directors and authorised for issue on 20 January 2025 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 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		15,332,306		15,454,594
Investments	14		5,224,153		5,224,153
			<u>20,556,459</u>		<u>20,678,747</u>
Current assets					
Stocks	18	22,028,206		25,139,345	
Debtors	19	47,264,831		45,007,875	
Cash at bank and in hand		2,920,086		2,519,212	
			<u>72,213,123</u>	<u>72,666,432</u>	
Creditors: amounts falling due within one year	20	(12,531,169)		(24,430,945)	
Net current assets			<u>59,681,954</u>		<u>48,235,487</u>
Total assets less current liabilities			<u>80,238,413</u>		<u>68,914,234</u>
Creditors: amounts falling due after more than one year	21		(1,832,688)		(2,359,002)
Provisions for liabilities					
Deferred tax liability	24	1,118,289		1,040,716	
			<u>(1,118,289)</u>	<u>1,040,716</u>	<u>(1,040,716)</u>
Net assets			<u>77,287,436</u>		<u>65,514,516</u>
Capital and reserves					
Called up share capital	26		50,000		50,000
Profit and loss reserves			77,237,436		65,464,516
Total equity			<u>77,287,436</u>		<u>65,514,516</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 £11,772,920 (2023 - £9,500,489 profit).

The financial statements were approved by the board of directors and authorised for issue on 20 January 2025 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 2024

	Share capital	Profit and loss reserves	Total controlling interest	Non- controlling interest	Total
	£	£	£	£	£
Balance at 1 May 2022	50,000	59,392,213	59,442,213	(16,732)	59,425,481
Year ended 30 April 2023:					
Profit and total comprehensive income	-	11,172,673	11,172,673	23,639	11,196,312
Balance at 30 April 2023	50,000	70,564,886	70,614,886	6,907	70,621,793
Year ended 30 April 2024:					
Profit and total comprehensive income	-	13,838,907	13,838,907	37,187	13,876,094
Balance at 30 April 2024	50,000	84,403,793	84,453,793	44,094	84,497,887

SCOLMORE (INTERNATIONAL) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2024

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2022	50,000	55,964,027	56,014,027
Year ended 30 April 2023:			
Profit and total comprehensive income for the year	-	9,500,489	9,500,489
Balance at 30 April 2023	50,000	65,464,516	65,514,516
Year ended 30 April 2024:			
Profit and total comprehensive income	-	11,772,920	11,772,920
Balance at 30 April 2024	50,000	77,237,436	77,287,436

SCOLMORE (INTERNATIONAL) LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2024

		2024		2023	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	11,049,744		7,209,963	
Interest received		92,598		63,846	
Interest paid		(198,334)		(169,519)	
Income taxes paid		(6,923,991)		(3,340,986)	
Net cash inflow from operating activities		4,020,017		3,763,304	
Investing activities					
Purchase of tangible fixed assets		(796,570)		(859,119)	
Proceeds from disposal of tangible fixed assets		39,416		46,680	
Net cash used in investing activities		(757,154)		(812,439)	
Financing activities					
Repayment of bank loans		(2,042,934)		(525,789)	
Payment of finance leases obligations		(140,862)		(63,206)	
Net cash used in financing activities		(2,183,796)		(588,995)	
Net increase in cash and cash equivalents		1,079,067		2,361,870	
Cash and cash equivalents at beginning of year		5,448,405		3,086,535	
Cash and cash equivalents at end of year		6,527,472		5,448,405	

SCOLMORE (INTERNATIONAL) LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	32	9,229,591		3,522,756	
Interest received		89,936		403,969	
Interest paid		(174,414)		(163,720)	
Income taxes paid		(5,618,286)		(2,841,011)	
Net cash inflow from operating activities		3,526,827		921,994	
Investing activities					
Purchase of tangible fixed assets		(751,265)		(766,104)	
Proceeds from disposal of tangible fixed assets		37,000		26,380	
Net cash used in investing activities		(714,265)		(739,724)	
Financing activities					
Repayment of bank loans		(1,986,526)		(475,027)	
Payment of finance leases obligations		(140,862)		(63,206)	
Amounts received from/(advanced to) group undertakings		(284,300)		2,442,752	
Net cash (used in)/generated from financing activities		(2,411,688)		1,904,519	
Net increase in cash and cash equivalents		400,874		2,086,789	
Cash and cash equivalents at beginning of year		2,519,212		432,423	
Cash and cash equivalents at end of year		2,920,086		2,519,212	

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2024

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 2024

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 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.

1.7 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 2024

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
Software	20% 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.

1.8 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 2024

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 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 2024

1 Accounting policies

(Continued)

1.12 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.

1.13 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.

1.14 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 2024

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.

1.15 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.

1.16 Retirement benefits

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

1.17 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 2024

1 Accounting policies (Continued)

1.18 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 2024 was £3,426,088 for the group, and £3,000,739 for the company (2023: group £1,969,801, company £1,899,236).

Useful lives of depreciable assets

The annual depreciation charge depends primarily on the estimated useful life of the asset and circumstances. The directors annually review the asset life and adjust as necessary to reflect current thinking on the remaining life in light of technological change, prospective economic utilisation and physical condition of the asset concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes to asset lives on an overall basis, as asset lives are individually determined.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Sale of goods	120,089,201	111,974,816
	<u>120,089,201</u>	<u>111,974,816</u>
	2024	2023
	£	£
Turnover analysed by geographical market		
UK	104,850,777	96,041,399
Overseas	15,238,424	15,933,417
	<u>120,089,201</u>	<u>111,974,816</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

3	Turnover and other revenue	(Continued)	
		2024	2023
		£	£
	Other revenue		
	Interest income	92,598	63,846
	Commissions received	-	2,161
		<u> </u>	<u> </u>
4	Exceptional item	2024	2023
		£	£
	Expenditure		
	Product development costs	531,891	-
		<u> </u>	<u> </u>
<p>During the year, the company entered its final stages of a major product launch which will be available to the market in Q1 of 2025. The total costs of developing and producing this product has been recognised in the current year.</p>			
5	Operating profit	2024	2023
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange gains	(173,598)	(524,105)
	Depreciation of owned tangible fixed assets	1,037,365	994,095
	Depreciation of tangible fixed assets held under finance leases	44,949	60,059
	Loss/(profit) on disposal of tangible fixed assets	18,206	(10,588)
	Amortisation of intangible assets	70,328	104,770
	Operating lease charges	1,699,058	1,515,031
		<u> </u>	<u> </u>
6	Auditor's remuneration	2024	2023
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	27,000	25,750
	Audit of the financial statements of the company's subsidiaries	47,489	46,330
		<u> </u>	<u> </u>
		<u>74,489</u>	<u>72,080</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

7 Employees

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

	Group 2024 Number	2023 Number	Company 2024 Number	2023 Number
Production	72	66	5	6
Distribution	168	165	168	165
Administration	116	102	58	43
Management staff	7	7	7	7
Total	363	340	238	221

Their aggregate remuneration comprised:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Wages and salaries	16,676,551	15,059,453	11,835,882	10,844,844
Social security costs	1,801,238	1,705,191	1,293,218	1,238,361
Pension costs	962,499	805,945	778,612	637,493
	19,440,288	17,570,589	13,907,712	12,720,698

In addition to the group the average number of employees in the associated companies amounted to 27 (2023: 29).

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

8 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	2,117,167	2,138,412
Company pension contributions to defined contribution schemes	25,715	26,630
	<u>2,142,882</u>	<u>2,165,042</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2023 - 5).

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

	2024 £	2023 £
Remuneration for qualifying services	<u>781,000</u>	<u>772,025</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.

9 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	2,630	1,611
Other interest income	89,968	62,235
Total income	<u>92,598</u>	<u>63,846</u>

	2024 £	2023 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>2,630</u>	<u>1,611</u>

10 Interest payable and similar expenses

	2024 £	2023 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	170,278	159,464
Other finance costs:		
Interest on finance leases and hire purchase contracts	9,891	10,055
Other interest	18,165	-
Total finance costs	<u>198,334</u>	<u>169,519</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

11 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	4,956,581	3,330,039
Adjustments in respect of prior periods	(167,817)	(219,715)
Total current tax	<u>4,788,764</u>	<u>3,110,324</u>
Deferred tax		
Origination and reversal of timing differences	<u>65,866</u>	<u>45,789</u>
Total tax charge	<u>4,854,630</u>	<u>3,156,113</u>

From 1 April 2023, the tax rate in the UK increased from 19% to 25%. The average tax rate for the year ending 30 April 2024 is 25.00% (2023: 19.49%)

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:

	2024 £	2023 £
Profit before taxation	<u>18,730,724</u>	<u>14,352,425</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.49%)	4,682,681	2,797,747
Tax effect of expenses that are not deductible in determining taxable profit	335,181	581,451
Tax effect of income not taxable in determining taxable profit	(167,131)	(39,367)
Tax effect of utilisation of tax losses not previously recognised	-	(6,570)
Unutilised tax losses carried forward	1,067	-
Adjustments in respect of prior years	(167,817)	(219,715)
Effect of change in corporation tax rate	7,236	(1,785)
Permanent capital allowances in excess of depreciation	9,283	(39,195)
Deferred tax movement	65,866	45,789
Share of tax of associates	88,264	37,758
Taxation charge	<u>4,854,630</u>	<u>3,156,113</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2023 and 30 April 2024	1,047,670
Amortisation and impairment	
At 1 May 2023	485,041
Amortisation charged for the year	70,328
At 30 April 2024	555,369
Carrying amount	
At 30 April 2024	492,301
At 30 April 2023	562,629

The company had no intangible fixed assets at 30 April 2024 or 30 April 2023.

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Software	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 May 2023	16,649,309	1,047,767	2,350,505	830,689	1,408,812	763,119	-	23,050,201
Additions	155,962	-	47,277	58,751	444,455	190,006	38,465	934,916
Disposals	-	-	(24,372)	(85,245)	-	(92,839)	-	(202,456)
At 30 April 2024	16,805,271	1,047,767	2,373,410	804,195	1,853,267	860,286	38,465	23,782,661
Depreciation and impairment								
At 1 May 2023	3,283,321	316,003	1,427,853	381,233	794,130	450,283	-	6,652,823
Depreciation charged in the year	335,597	32,794	211,547	82,540	326,321	93,128	387	1,082,314
Eliminated in respect of disposals	-	-	(22,078)	(79,479)	-	(43,277)	-	(144,834)
At 30 April 2024	3,618,918	348,797	1,617,322	384,294	1,120,451	500,134	387	7,590,303
Carrying amount								
At 30 April 2024	13,186,353	698,970	756,088	419,901	732,816	360,152	38,078	16,192,358
At 30 April 2023	13,365,988	731,764	922,652	449,456	614,682	312,836	-	16,397,378

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

13 Tangible fixed assets

(Continued)

Company	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Software	Total
	£	£	£	£	£	£	£
Cost							
At 1 May 2023	16,649,309	2,269,848	587,419	1,300,454	729,941	-	21,536,971
Additions	139,032	47,277	44,251	430,581	190,005	38,465	889,611
Disposals	-	-	-	-	(92,839)	-	(92,839)
At 30 April 2024	16,788,341	2,317,125	631,670	1,731,035	827,107	38,465	22,333,743
Depreciation and Impairment							
At 1 May 2023	3,283,321	1,360,436	278,762	719,412	440,446	-	6,082,377
Depreciation charged in the year	334,892	196,516	36,127	307,217	87,198	387	962,337
Eliminated in respect of disposals	-	-	-	-	(43,277)	-	(43,277)
At 30 April 2024	3,618,213	1,556,952	314,889	1,026,629	484,367	387	7,001,437
Carrying amount							
At 30 April 2024	13,170,128	760,173	316,781	704,406	342,740	38,078	15,332,306
At 30 April 2023	13,365,988	909,412	308,657	581,042	289,495	-	15,454,594

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

13 Tangible fixed assets

(Continued)

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

	Group 2024 £	2023 £	Company 2024 £	2023 £
Motor vehicles	215,549	180,176	215,549	180,176

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 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	15	-	-	5,224,153	5,224,153
Investments in associates	16	2,611,362	2,031,101	-	-
		2,611,362	2,031,101	5,224,153	5,224,153

Movements in fixed asset investments

Group	Shares in associates £
Cost or valuation	
At 1 May 2023	2,031,101
Share of profit of associates	580,261
At 30 April 2024	2,611,362
Carrying amount	
At 30 April 2024	2,611,362
At 30 April 2023	2,031,101

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Cost or valuation

At 1 May 2023 and 30 April 2024

Shares in
subsidiaries
£

5,224,153

Carrying amount

At 30 April 2024

5,224,153

At 30 April 2023

5,224,153

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2024 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	-

16 Associates

Details of associates at 30 April 2024 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
Lighthouse 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

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

17 Financial instruments

	Group 2024 £	2023 £	Company 2024 £	2023 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	49,239,062	46,049,398	48,730,608	46,469,399
Equity instruments measured at cost less impairment	<u>2,611,362</u>	<u>2,031,101</u>	<u>5,224,153</u>	<u>5,224,153</u>
Carrying amount of financial liabilities				
Measured at amortised cost	14,654,714	16,400,814	9,727,459	11,880,196
Loan commitments measured at cost less impairment	<u>5,957,330</u>	<u>15,476,362</u>	<u>2,233,788</u>	<u>11,182,219</u>

18 Stocks

	Group 2024 £	2023 £	Company 2024 £	2023 £
Finished goods and goods for resale	<u>39,922,846</u>	<u>43,024,445</u>	<u>22,028,206</u>	<u>25,139,345</u>

19 Debtors

	Group 2024 £	2023 £	Company 2024 £	2023 £
Amounts falling due within one year:				
Trade debtors	41,791,220	39,077,218	29,356,977	27,557,749
Corporation tax recoverable	356,505	-	320,858	-
Amounts owed by group undertakings	-	-	16,204,793	15,920,493
Other debtors	428,069	961,146	248,752	561,433
Prepayments and accrued income	<u>1,429,730</u>	<u>1,357,133</u>	<u>1,133,451</u>	<u>968,200</u>
	<u>44,005,524</u>	<u>41,395,497</u>	<u>47,264,831</u>	<u>45,007,875</u>

Included within the group's trade debtors are factored debts of £38,030,844 (2023: £35,412,395)

Included within the parent company's trade debtors are factored debts of £26,452,737 (2023: £24,711,367)

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

20 Creditors: amounts falling due within one year

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans	22	542,440	1,996,160	486,526	1,940,526
Obligations under finance leases	23	59,069	67,797	59,069	67,797
Trade creditors		14,654,714	16,400,814	9,727,459	11,880,196
Corporation tax payable		123,562	1,902,285	-	1,478,349
Other taxation and social security		1,050,053	864,021	679,071	270,976
Other creditors		3,837,049	11,190,439	116,446	6,984,640
Accruals and deferred income		2,019,651	2,331,573	1,462,598	1,808,461
		<u>22,286,538</u>	<u>34,753,089</u>	<u>12,531,169</u>	<u>24,430,945</u>

Included in other creditors are invoice discounting arrangements of £3,688,627 (2023: £11,164,725) 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 2024 £	2023 £	Company 2024 £	2023 £
Bank loans and overdrafts	22	1,726,263	2,315,477	1,726,263	2,258,789
Obligations under finance leases	23	106,425	100,213	106,425	100,213
		<u>1,832,688</u>	<u>2,415,690</u>	<u>1,832,688</u>	<u>2,359,002</u>

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

Payable by instalments	-	496,684	-	496,684
		<u>-</u>	<u>496,684</u>	<u>-</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

22 Loans and overdrafts

	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans	2,268,703	4,311,637	2,212,789	4,199,315
Payable within one year	542,440	1,996,160	486,526	1,940,526
Payable after one year	1,726,263	2,315,477	1,726,263	2,258,789

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 2024 £	2023 £	Company 2024 £	2023 £
Future minimum lease payments due under finance leases:				
Within one year	59,069	67,797	59,069	67,797
In two to five years	106,425	100,213	106,425	100,213
	165,494	168,010	165,494	168,010

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 2024

24 Deferred taxation

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

	Liabilities 2024 £	Liabilities 2023 £
Group		
Accelerated capital allowances	1,134,750	1,068,883
	<u>1,134,750</u>	<u>1,068,883</u>
	Liabilities 2024 £	Liabilities 2023 £
Company		
Accelerated capital allowances	1,118,289	1,040,716
	<u>1,118,289</u>	<u>1,040,716</u>
	Group 2024 £	Company 2024 £
Movements in the year:		
Liability at 1 May 2023	1,068,883	1,040,716
Charge to profit or loss	65,867	77,573
	<u>1,134,750</u>	<u>1,118,289</u>
Liability at 30 April 2024	<u>1,134,750</u>	<u>1,118,289</u>

Of the group deferred tax liability set out above, £190,263 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, £180,003 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

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	962,499	805,945
	<u>962,499</u>	<u>805,945</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

	2024 Number	2023 Number	2024 £	2023 £
Group and company				
Ordinary share capital				
Issued and fully paid				
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 2024

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 2024 £	2023 £	Company 2024 £	2023 £
Within one year	866,310	498,784	846,912	472,918
Between two and five years	2,534,281	319,677	2,534,281	300,279
	<u>3,400,591</u>	<u>818,461</u>	<u>3,381,193</u>	<u>773,197</u>

28 Related party transactions

Transactions with related parties

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

	Sales 2024 £	Sales 2023 £	Purchases 2024 £	Purchases 2023 £
Group				
Entities over which the group has control, joint control or significant influence	9,597,038	8,693,872	-	2,930
Other related parties	63,145	49,302	95,019	98,552
	<u>9,660,183</u>	<u>8,743,174</u>	<u>95,019</u>	<u>101,482</u>
Company				
Entities over which the company has control, joint control or significant influence	7,307,652	6,554,637	2,021	11,548
Other related parties	36,091	8,905	94,219	90,524
	<u>7,343,743</u>	<u>6,563,542</u>	<u>96,240</u>	<u>102,072</u>
	Management charges receivable 2024 £	2023 £	Interest & royalties receivable 2024 £	2023 £
Group				
Entities over which the entity has control, joint control or significant influence	258,367	261,331	-	-
	<u>258,367</u>	<u>261,331</u>	<u>-</u>	<u>-</u>
Company				
Entities over which the entity has control, joint control or significant influence	894,367	617,411	11,578	363,391
	<u>894,367</u>	<u>617,411</u>	<u>11,578</u>	<u>363,391</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

28 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2024	2023
	£	£
Group		
Other related parties	11,159	7,555
	<u> </u>	<u> </u>
Company		
Entities over which the company has control, joint control or significant influence	1,307	541
Other related parties	11,159	6,062
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2024	2023
	Balance	Balance
	£	£
Group		
Entities with control, joint control or significant influence over the group	136,827	385,957
Entities over which the group has control, joint control or significant influence	2,473,391	2,929,285
Other related parties	72,383	41,955
	<u> </u>	<u> </u>
Company		
Entities with control, joint control or significant influence over the company	136,827	385,957
Entities over which the company has control, joint control or significant influence	2,030,551	11,325,346
Other related parties	65,073	33,760
	<u> </u>	<u> </u>

Other information

The company has taken advantage of the exemption available in accordance with FRS102 Section 33 'Paragraph 33.1 A' not to disclose transactions or balances entered into between two or more members of a group, as the company is a wholly owned member of the group to which it is party to the transactions.

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 2024

29 Directors' transactions

Dividends totalling £0 (2023 - £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 -	-	(1,737)	60,441	(73,524)	(14,820)
		<u>(1,737)</u>	<u>60,441</u>	<u>(73,524)</u>	<u>(14,820)</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

	2024 £	2023 £
Profit after taxation	13,876,094	11,196,312
Adjustments for:		
Share of results of associates and joint ventures	(580,261)	(169,438)
Taxation charged	4,854,630	3,156,113
Finance costs	198,334	169,519
Investment income	(92,598)	(63,846)
Loss/(gain) on disposal of tangible fixed assets	18,206	(10,588)
Amortisation and impairment of intangible assets	70,328	104,770
Depreciation and impairment of tangible fixed assets	1,082,314	1,054,154
Movements in working capital:		
Decrease in stocks	3,101,599	4,578,552
Increase in debtors	(2,253,522)	(6,549,993)
Decrease in creditors	(9,225,380)	(6,255,592)
Cash generated from operations	<u>11,049,744</u>	<u>7,209,963</u>

SCOLMORE (INTERNATIONAL) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

32 Cash generated from operations - company

	2024	2023
	£	£
Profit after taxation	11,772,920	9,500,489
Adjustments for:		
Taxation charged	3,896,652	2,561,151
Finance costs	174,414	163,720
Investment income	(89,936)	(403,969)
Amounts received from/(advanced to) group undertakings	284,300	(2,442,752)
Loss/(gain) on disposal of tangible fixed assets	12,562	(11,280)
Depreciation and impairment of tangible fixed assets	962,337	908,835
Movements in working capital:		
Decrease in stocks	3,111,139	2,164,841
Increase in debtors	(1,936,098)	(280,206)
Decrease in creditors	(8,958,699)	(8,638,073)
Cash generated from operations	<u>9,229,591</u>	<u>3,522,756</u>

33 Analysis of changes in net funds - group

	1 May 2023	Cash flows	New finance leases	30 April 2024
	£	£	£	£
Cash at bank and in hand	5,448,405	1,079,067	-	6,527,472
Borrowings excluding overdrafts	(4,311,637)	2,042,934	-	(2,268,703)
Obligations under finance leases	(168,010)	140,862	(138,346)	(165,494)
	<u>968,758</u>	<u>3,262,863</u>	<u>(138,346)</u>	<u>4,093,275</u>

34 Analysis of changes in net funds/(debt) - company

	1 May 2023	Cash flows	New finance leases	30 April 2024
	£	£	£	£
Cash at bank and in hand	2,519,212	400,874	-	2,920,086
Borrowings excluding overdrafts	(4,199,315)	1,986,526	-	(2,212,789)
Obligations under finance leases	(168,010)	140,862	(138,346)	(165,494)
	<u>(1,848,113)</u>	<u>2,528,262</u>	<u>(138,346)</u>	<u>541,803</u>