

Company Registration No. 03308665 (England and Wales)

**SCORPIO WORLDWIDE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**LB GROUP**  
**Number One**  
**Vicarage Lane**  
**Stratford**  
**London**  
**England**  
**E15 4HF**

# SCORPIO WORLDWIDE LIMITED

## COMPANY INFORMATION

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**Director** Mr J Baumgartner

**Secretary** K Hethersay

**Company number** 03308665

**Registered office** Number One  
Vicarage Lane  
Stratford  
London  
England  
E15 4HF

**Auditor** LB Group (Stratford)  
Number One  
Vicarage Lane  
Stratford  
London  
England  
E15 4HF

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# SCORPIO WORLDWIDE LIMITED

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**The following pages do not form part of the financial statements**

Detailed profit and loss account

Notes to the detailed profit and loss account

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# SCORPIO WORLDWIDE LIMITED

## STRATEGIC REPORT

### ***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The director presents the strategic report for the year ended 31 December 2019.

#### **Fair Review of the Business**

In the financial year ended 31 December 2019, the company completed the winding down of the company in line with their closure and buyout by Gebr. Heinemann SE & Co. KG. The financial year ended 31 December 2019 represents the final financial year of trade.

No further restructuring costs are anticipated. Trading in the year to 31 December 2019 has been loss making as forecast.

The turnover achieved during the year has decreased compared to the level achieved in 2018 with a drop of 15.8%. This is in line with expectation and the winding down of the business. Subsequently gross profit margin has fallen to 14.7% down from 28.7% in the previous year. This is due to the nature of the fixed costs of the business and focus on maximising revenue rather than margin, as was the focus in previous periods.

The company continues to be supported by Gebr Heinemann from Germany, a large privately owned and well financed business who are the majority shareholders of the company. Following from discussions in the previous year, it was decided that the business will be sold in full to Gebr Heinemann and operations integrated with the parent company following the cessation of trade at the end of 2019.

On behalf of the board

Mr J Baumgartner

**Director**

7 April 2020

# SCORPIO WORLDWIDE LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The director presents his annual report and financial statements for the year ended 31 December 2019.

#### Principal activities

The principal activity of the company during the year was the sale of duty free goods for sale on board airlines and in airport and cruise line duty free shops.

#### Director

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

Mr S McGuire (Resigned 29 November 2019)

Mr J Baumgartner

Mr C Hayward (Resigned 17 December 2019)

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

#### Auditor

The auditor, LB Group (Stratford), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditor

The company is no longer a going concern due to the cessation of trade at the end of 2019.

So far as each person who was a director at the date of approving this report is aware, there is no further relevant audit information of which the company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr J Baumgartner

**Director**

7 April 2020

## **SCORPIO WORLDWIDE LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# SCORPIO WORLDWIDE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SCORPIO WORLDWIDE LIMITED

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#### Opinion

We have audited the financial statements of Scorpio Worldwide Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The company will cease to trade at 31 December 2019, however there is no material difference in the financial statements as prepared under the going concern basis and that of the break-up basis.

#### Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# SCORPIO WORLDWIDE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SCORPIO WORLDWIDE LIMITED

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

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

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

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

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

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **SCORPIO WORLDWIDE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)** **TO THE MEMBERS OF SCORPIO WORLDWIDE LIMITED**

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### **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 him 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.

**Mark Middleton (Senior Statutory Auditor)**  
**for and on behalf of LB Group (Stratford)**

7 April 2020

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

Number One  
Vicarage Lane  
Stratford  
London  
England  
E15 4HF

## SCORPIO WORLDWIDE LIMITED

### PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Turnover	3	12,991,042	15,436,527
Cost of sales		(11,078,688)	(11,008,966)
<b>Gross profit</b>		1,912,354	4,427,561
Administrative expenses		(3,568,716)	(3,670,681)
<b>Operating (loss)/profit</b>	4	(1,656,362)	756,880
Interest payable and similar expenses	7	(136,983)	(148,069)
Restructuring costs		(496,551)	(151,427)
<b>(Loss)/profit before taxation</b>		(2,289,896)	457,384
Taxation	8	-	-
<b>(Loss)/profit for the financial year</b>	17	(2,289,896)	457,384
<b>Total comprehensive income for the year</b>		(2,289,896)	457,384

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# SCORPIO WORLDWIDE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	9		-		13,422
Tangible assets	10		-		97,875
					<u>111,297</u>
<b>Current assets</b>					
Stocks	11	-		4,758,948	
Debtors	12	1,063,344		3,591,169	
Cash at bank and in hand		281,166		640,749	
		<u>1,344,510</u>		<u>8,990,866</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,444,922)</u>		<u>(8,912,679)</u>	
<b>Net current (liabilities)/assets</b>			<u>(2,100,412)</u>		<u>78,187</u>
<b>Total assets less current liabilities</b>			<u>(2,100,412)</u>		<u>189,484</u>
<b>Capital and reserves</b>					
Called up share capital	15		1,345		1,345
Share premium account	16		591,129		591,129
Profit and loss reserves	17		<u>(2,692,886)</u>		<u>(402,990)</u>
<b>Total equity</b>			<u>(2,100,412)</u>		<u>189,484</u>

The financial statements were approved by the board of directors and authorised for issue on 7 April 2020 and are signed on its behalf by:

Mr J Baumgartner  
Director

Company Registration No. 03308665

# SCORPIO WORLDWIDE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2018</b>	1,345	591,129	(860,374)	(267,900)
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year	-	-	457,384	457,384
<b>Balance at 31 December 2018</b>	1,345	591,129	(402,990)	189,484
<b>Year ended 31 December 2019:</b>				
Loss and total comprehensive income for the year	-	-	(2,289,896)	(2,289,896)
<b>Balance at 31 December 2019</b>	1,345	591,129	(2,692,886)	(2,100,412)

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

Scorpio Worldwide Limited is a private company limited by shares incorporated in England and Wales. The registered office is Number One, Vicarage Lane, Stratford, London, England, E15 4HF.

#### **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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Heinemann Scorpio International Holdings Limited. These consolidated financial statements are available from its registered office.

#### **1.2 Going concern**

Due to the decision to cease trading at the year end, it should be noted that the company is no longer a going concern at the time of approving the financial statements. The director considers that no adjustment is needed for preparing the financial statements on a non going concern basis.

#### **1.3 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.

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

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.

#### 1.4 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.

#### 1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

#### 1.6 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.

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:

Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

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 credited or charged to profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

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.

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.8 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 replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

#### 1.9 Cash at bank and in hand

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.

#### 1.10 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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 company 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.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

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

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

#### **1.11 Equity instruments**

Equity instruments issued by the company 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 company.

#### **1.12 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.13 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.

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

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 leases asset are consumed.

#### **1.16 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 are included in the profit and loss account for the period.

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### *Hedging*

The company designates certain risks being hedged into three types:

- fair value hedges;
- cash flow hedges; and
- hedge of a net investment in a foreign entity.

In relation to fair value hedges, which meet the conditions for special hedge accounting, any gain or loss from re-measuring the hedging instrument at fair value is recognised immediately in the profit and loss account.

In relation to cash flow hedges, designed to hedge the exposure to variability in future cash flows relating to firm commitments or highly probable forecasted transactions, the portion of the gain or loss on the hedging instrument, which meets the conditions for special hedge accounting, is recognised directly in equity. Deferred gains and losses are released to the profit and loss account when the forecasted transactions occur.

An ineffective portion of the hedge is always recognised immediately in the profit and loss account.

The hedge of a net investment in a foreign entity is accounted for as a cash flow hedge with foreign exchange differences recognised directly in equity.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Duty free goods	12,991,042	15,436,527

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Turnover and other revenue		(Continued)
	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	12,991,042	15,436,527

4 Operating (loss)/profit		2019	2018
		£	£
Operating (loss)/profit for the year is stated after charging/(crediting):			
Exchange losses/(gains)	157,013	(87,464)	
Research and development costs	-	480	
Fees payable to the company's auditor for the audit of the company's financial statements	22,752	22,750	
Depreciation of owned tangible fixed assets	35,432	29,246	
Loss on disposal of tangible fixed assets	201	-	
Amortisation of intangible assets	2,200	3,203	
(Profit)/loss on disposal of intangible assets	-	2,116	
Cost of stocks recognised as an expense	11,078,688	11,008,966	
Operating lease charges	176,511	162,590	

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £157,013 (2018 - £87,464).

## 5 Employees

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

	2019	2018
	Number	Number
Administrative	26	36

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	1,305,794	1,537,593
Social security costs	18,691	29,546
Pension costs	56,016	59,257
	1,380,501	1,626,396

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Director's remuneration

	2019 £	2018 £
Remuneration for qualifying services	141,142	222,455

### 7 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	136,983	148,069

### 8 Taxation

	2019 £	2018 £
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The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(2,289,896)	457,384
Expected tax charge based on a corporation tax rate of 19.00.00% (2018 - 19.00.00%)	(435,080)	86,903
Tax effect of expenses that are not deductible in determining taxable profit	106,809	-
Tax effect of utilisation of tax losses not previously recognised	321,789	-
Permanent capital allowances in excess of depreciation	174	-
Depreciation on assets not qualifying for tax allowances	6,270	-
Loss on sale of fixed assets	38	-
Tax expense for the year	-	-

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Intangible fixed assets

	Trademarks £
<b>Cost</b>	
At 1 January 2019	57,025
Disposals	(57,025)
At 31 December 2019	-
<b>Amortisation and impairment</b>	
At 1 January 2019	43,603
Amortisation charged for the year	3,202
Eliminated on revaluation	(46,805)
At 31 December 2019	-
<b>Carrying amount</b>	
At 31 December 2019	-
At 31 December 2018	13,422

### 10 Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	297,836	83,926	381,762
Additions	850	-	850
Disposals	(298,686)	(83,926)	(382,612)
At 31 December 2019	-	-	-
<b>Depreciation and impairment</b>			
At 1 January 2019	266,531	17,356	283,887
Depreciation charged in the year	22,527	10,473	33,000
Eliminated in respect of disposals	(289,058)	(27,829)	(316,887)
At 31 December 2019	-	-	-
<b>Carrying amount</b>			
At 31 December 2019	-	-	-
At 31 December 2018	31,305	66,570	97,875

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Stocks

	2019 £	2018 £
Finished goods and goods for resale	-	4,758,948

### 12 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	955,933	3,168,348
Amounts owed by group undertakings	45,000	121,305
Other debtors	62,411	88,235
Prepayments and accrued income	-	213,281
	<u>1,063,344</u>	<u>3,591,169</u>

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

	2019 £	2018 £
Trade creditors	203,106	1,638,906
Taxation and social security	13,248	108,318
Other creditors	3,039,080	6,598,258
Accruals and deferred income	189,488	567,197
	<u>3,444,922</u>	<u>8,912,679</u>

### 14 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>56,016</u>	<u>59,257</u>

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

### 15 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,345 Ordinary of £1 each	<u>1,345</u>	<u>1,345</u>
	<u>1,345</u>	<u>1,345</u>

# SCORPIO WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 16 Share premium account

	2019 £	2018 £
At the beginning and end of the year	591,129	591,129

### 17 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	(402,990)	(860,374)
(Loss)/profit for the year	(2,289,896)	457,384
At the end of the year	(2,692,886)	(402,990)

### 18 Operating lease commitments

#### Lessee

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

	2019 £	2018 £
Within one year	-	274,188
Between two and five years	-	179,030
	-	453,218

### 19 Related party transactions

#### Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2019 £	2018 £	2019 £	2018 £
Gebr. Heinemann SE & Co. KG	5,285,369	1,950,304	88,308	25,693

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
<b>Amounts owed to related parties</b>		
Heinemann Scorpio International Holdings Limited	3,039,080	6,598,211

## SCORPIO WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 19 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2019 Balance £
<b>Amounts owed by related parties</b>	
Gebr. Heinemann SE & Co. KG	249,710
Gastro Culinary Innovation Limited	45,000
	<u>          </u>
	2018 Balance £
<b>Amounts owed in previous period</b>	
Gebr. Heinemann SE & Co. KG	371,932
Scorpio Travel Retail Sales Limited	91,305
	<u>          </u>

Heinemann Scorpio International Holdings Limited also owned 100% of the share capital of Scorpio Travel Retail Sales Limited, a company registered in United Kingdom, throughout the year.

#### 20 Ultimate controlling party

Heinemann Scorpio International Holdings Limited, a company registered in United Kingdom, owned 100% of the share capital of the company throughout the year.

Gebr. Heinemann SE & Co. KG, a limited partnership registered in Germany, is the ultimate controlling party, by virtue of its majority shareholding in Heinemann Scorpio International Holdings Limited.

#### 21 Directors' transactions

At the balance sheet date the company was owed £Nil from Mr S McGuire (2018: £20,674).

At the balance sheet date the company was owed £23,750 from Mr I Cowie (2018: £26,250). A schedule of repayments has been agreed for the loan to Mr I Cowie.



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