

Spartoo UK Limited

Financial Statements

For the year ended 31 December 2021

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Company Registration No. 05221282 (England and Wales)

Spartoo UK Limited

Company Information

Directors	JJ Touchard BF Saragaglia
Company number	05221282
Registered office	Transworld Unit 1 Morley Court Morley Way Peterborough Cambridgeshire England PE2 7BW
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Spartoo UK Limited

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Balance Sheet

As at 31 December 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		-		1,007
Current assets					
Stock		810,995		831,368	
Debtors	5	35,909		40,522	
Cash at bank and in hand		402,266		366,398	
		<u>1,249,170</u>		<u>1,238,288</u>	
Creditors: amounts falling due within one year	6	<u>(4,565,554)</u>		<u>(4,445,480)</u>	
Net current liabilities			<u>(3,316,384)</u>		<u>(3,207,192)</u>
Net liabilities			<u>(3,316,384)</u>		<u>(3,206,185)</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss reserves			<u>(3,316,386)</u>		<u>(3,206,187)</u>
Total equity			<u>(3,316,384)</u>		<u>(3,206,185)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16 March 2022 and are signed on its behalf by:

BF Saragaglia
Director

Company Registration No. 05221282

Spartoo UK Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

Company information

Spartoo UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Transworld Unit 1 Morley Court, Morley Way, Peterborough, Cambridgeshire, England, PE2 7BW.

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 as applicable to companies subject to the small companies regime.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The company has not been significantly impacted by the Covid-19 pandemic due to the online nature of the business. Brexit did impact business as the increased costs associated with trading with EU countries reduced sales on the continent which contributed to the loss in the year. At the year end the company has net liabilities of £3,316,384 (2020: £3,206,185) which includes a balance of £3,905,186 (2020: £3,886,238) due to the ultimate parent undertaking at the balance sheet date. Spartoo SAS, the company's immediate and ultimate parent undertaking, has given an undertaking to continue to provide financial support to the company for a period of at least twelve months from the date of approval of these financial statements, to enable the company to meet its liabilities as they fall due. Accordingly the directors continue to adopt the going concern basis in the preparation of the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods, 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.

1.4 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	15%
Computer equipment	33.33%

Spartoo UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 Stock

Stock 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 stock to their present location and condition.

Stock 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock 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.

1.7 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.

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.8 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.

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.

1.9 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.

1.10 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.

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

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

1.12 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.

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

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

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2020 - 2).

	2021 Number	2020 Number
Total	2	2
	<u> </u>	<u> </u>

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2021 and 31 December 2021	37,417
Depreciation and impairment	
At 1 January 2021	36,410
Depreciation charged in the year	1,007
At 31 December 2021	37,417
Carrying amount	
At 31 December 2021	-
At 31 December 2020	1,007

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	29,515	8,385
Other debtors	6,394	32,137
	35,909	40,522

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	320,063	415,513
Amounts owed to group undertakings	3,905,186	3,897,556
Taxation and social security	151,099	43,600
Other creditors	189,206	88,811
	4,565,554	4,445,480

7 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	2	2	2	2

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Matthew Meadows and the auditor was Moore Kingston Smith LLP.

9 Operating lease commitments

Lessee

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

2021	2020
£	£
343,767	418,750
<u> </u>	<u> </u>

10 Parent company

The ultimate parent and controlling party is Spartoo SAS, a company incorporated in France, which prepares group accounts of which this company is a member. Copies of these accounts can be obtained from the registered office at 16 Rue Henri Barbusse, 38000 Grenoble, France.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.