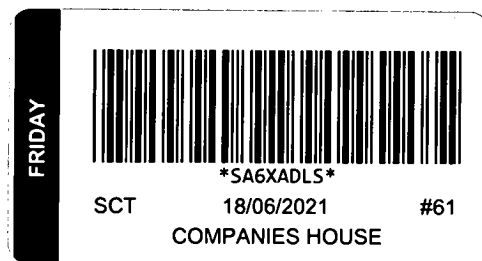


**STRATHBERRY LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2020**



COMPANIES HOUSE

**18 JUN 2021**

EDINBURGH MAILBOX

# STRATHBERRY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G J H Hundleby C W Park
<b>Company number</b>	SC421815
<b>Registered office</b>	34 Melville Street Edinburgh United Kingdom EH3 7HA
<b>Auditor</b>	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
<b>Bankers</b>	Royal Bank of Scotland Edinburgh
<b>Solicitors</b>	Gillespie MacAndrew 5 Atholl Crescent EDINBURGH EH14 8EJ

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# STRATHBERRY LIMITED

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# **STRATHBERRY LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 APRIL 2020***

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### **Fair review of the business**

The principal activity of the company is the retail of leather goods and building of the Strathberry brand. In early 2020, the Company was impacted by the outbreak of COVID-19. In-line with government guidelines, store closures were implemented for the duration of lockdown. The long-term impact of the pandemic remains uncertain, but clearly it will have an impact upon bricks and mortar retail.

As of 30th April 2020 the company has net assets of £4,411,337, and earned profit after tax of £1,315,362 for the year ended 30th April 2020. Revenue in the year is £10,677,442 and the company generated a gross profit of £5,484,675.

Revenue is 10% lower than the previous year, partly due to reduced sales due to COVID-19. Revenue is generated through wholly owned retail stores, online platforms and via wholesalers. Strathberry retail stores are operated in London, Edinburgh and Shanghai. Online sales are supplied to customers in over 20 markets. Despite lower Revenue, Gross Profit is in line with previous year due to an increase in Gross Margin.

### **Principal risks and uncertainties**

The impact of the COVID-19 pandemic, and changes to customer values and behaviours as a result of the pandemic, remain uncertain. The strength of the retail market and competition from other brands represents a risk, with the Company managing this through continued focus upon craftsmanship/quality, keeping a relevant range of products, strong creative content, positive connections with influencers around the globe, and messaging to consumers on the features of the brand. Supply chain risks exist and are managed with processes in place to continually review quality and pricing of raw materials from current and new suppliers. Production is split across various workshops in order to mitigate risk to product supply. Brexit is a risk that has been considered and a cross functional team has been set up to manage the situation.

### **Financial risk management objectives and policies**

As with most businesses, the company is exposed to financial risk through its financial assets and liabilities. The key financial risk would be if the proceeds from financial assets were not sufficient to fund obligations from liabilities as they fall due. There is sufficient liquidity available from the company's own cash and revenue to fund the ongoing operations of the company. Credit risk is limited to wholesale channel of the business and is managed closely, which was evidenced by actively reducing this exposure as the impact of COVID-19 became evident. The company buys and sells in multiple currencies and is therefore exposed to movement in exchange rates, these are mitigated where possible by hedging purchase and sales in the same currency.

### **Key performance indicators**

The key performance indicators used by the Company's management to analyse development, performance and position of the Company's business include Net Sales across all channels, Web Traffic/Performance, Social Media growth/interaction and Profit.

# STRATHBERRY LIMITED

## STRATEGIC REPORT (CONTINUED)


**FOR THE YEAR ENDED 30 APRIL 2020**

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### **Future developments**

In 2021 the company expects to continue to monitor and manage the risks of COVID-19 and Brexit, as plans are put in place to grow the revenue and international footprint of the Strathberry brand. Future growth is planned through the careful addition of new product categories, plus ongoing development of Strathberry owned Retail stores, Online platforms and wholesale expansion.

On behalf of the board



G J H Hundleby

**Director**

17th June 2021.....

# **STRATHBERRY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2020**

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The directors present their annual report and financial statements for the year ended 30 April 2020.

#### **Principal activities**

The principal activity of the company is the retail of leather goods and building of the Strathberry brand.

#### **Directors**

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

G J H Hundleby  
C W Park

#### **Results and dividends**

The results for the year are set out on page 8.

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

#### **Auditor**

Johnston Carmichael LLP were appointed as auditor to the company on 15 December 2020 and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report, directors' 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 company and the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **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 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.

# STRATHBERRY LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

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On behalf of the board



G J H Hundleby  
Director

Date: 17th June 2021

# STRATHBERRY LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHBERRY LIMITED

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### Qualified opinion

We have audited the financial statements of Strathberry Limited (the 'company') for the year ended 30 April 2020 which comprise the statement of comprehensive income, 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, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its 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 qualified opinion

We did not observe the counting of physical stock at the end of the year due to the date of our appointment being after the company's financial year end. We were unable to satisfy ourselves by alternative means concerning the stock quantities held at 30 April 2020, which are included in the balance sheet at £1,229,172. Consequently we were unable to determine whether any adjustment to this amount was necessary. In addition, were any adjustments to the stock balances to be required, the strategic report would also need to be amended.

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 qualified 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

### Other matters

The financial statements of Strathberry Limited for the year ended 30 April 2019 were not subject to an audit.



# **STRATHBERRY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF STRATHBERRY LIMITED**

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#### **Other information**

The directors are 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the stock quantities of £1,229,172 held at 30 April 2020. We have concluded that where the other information refers to the stock balance or related balances such as cost of sales, it may be materially misstated for the same reason.

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

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

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

Except for the matter described in the basis for qualified opinion section of our report, in the light of our 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 directors' report.

Arising solely from the limitation of scope of our work related to stock, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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:

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

#### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, 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 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 company or to cease operations, or have no realistic alternative but to do so.

# STRATHBERRY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF STRATHBERRY LIMITED

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### 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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.

*Johnston Carmichael LLP*

**Grant Roger (Senior Statutory Auditor)**  
for and on behalf of Johnston Carmichael LLP

18 June 2021  
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**Chartered Accountants**  
**Statutory Auditor**

7-11 Melville Street  
Edinburgh  
EH3 7PE

# STRATHBERRY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2020

		Year ended 30 April 2020	Year ended 30 April 2019 unaudited
	Notes	£	£
Turnover	3	10,677,442	11,823,084
Cost of sales		(5,192,767)	(6,819,195)
<b>Gross profit</b>		<b>5,484,675</b>	<b>5,003,889</b>
Administrative expenses		(4,073,491)	(2,858,173)
Other operating income	3	226,767	13,262
<b>Operating profit</b>	4	<b>1,637,951</b>	<b>2,158,978</b>
Interest receivable and similar income		2,289	1,592
<b>Profit before taxation</b>		<b>1,640,240</b>	<b>2,160,570</b>
Tax on profit	7	(324,878)	(428,617)
<b>Profit for the financial year</b>		<b>1,315,362</b>	<b>1,731,953</b>

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


# STRATHBERRY LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2020

		2020		2019 unaudited	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		30,851		35,560
Tangible assets	9		77,483		90,176
Investment properties	10		1,251,083		-
Investments	11		119,815		-
			<u>1,479,232</u>		<u>125,736</u>
<b>Current assets</b>					
Stocks	13	1,229,172		1,257,782	
Debtors	14	2,160,677		2,715,687	
Cash at bank and in hand		1,310,182		2,709,746	
		<u>4,700,031</u>		<u>6,683,215</u>	
<b>Creditors: amounts falling due within one year</b>	15	(1,756,146)		(3,700,057)	
<b>Net current assets</b>			<u>2,943,885</u>		<u>2,983,158</u>
<b>Total assets less current liabilities</b>			<u>4,423,117</u>		<u>3,108,894</u>
<b>Provisions for liabilities</b>	16		(11,780)		(12,919)
<b>Net assets</b>			<u><u>4,411,337</u></u>		<u><u>3,095,975</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		116		116
Share premium account			109,022		109,022
Profit and loss reserves			4,302,199		2,986,837
<b>Total equity</b>			<u><u>4,411,337</u></u>		<u><u>3,095,975</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17 June 2021 and are signed on its behalf by:



G J H Hundleby

Director

17th June 2021

Company Registration No. SC421815

# STRATHBERRY LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2018 - unaudited		116	109,022	1,682,835	1,791,973
Year ended 30 April 2019 - unaudited					
Profit and total comprehensive income for the year		-	-	1,731,953	1,731,953
Dividends		-	-	(427,951)	(427,951)
Balance at 30 April 2019 - unaudited		116	109,022	2,986,837	3,095,975
Year ended 30 April 2020:					
Profit and total comprehensive income for the year		-	-	1,315,362	1,315,362
Balance at 30 April 2020		116	109,022	4,302,199	4,411,337

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 APRIL 2020

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#### 1 Accounting policies

##### Company information

Strathberry Limited is a private company limited by shares incorporated in Scotland. The registered office is 34 Melville Street, Edinburgh, United Kingdom, EH3 7HA.

##### 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 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': 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 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Strathberry Holdings Limited. These consolidated financial statements are available from its registered office, 34 Melville Street, Edinburgh.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

The directors have considered the impact of the ongoing COVID-19 pandemic and are satisfied that this does not impact the company's ability to continue to operate as a going concern and meet liabilities as these fall due.

##### 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

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#### 1 Accounting policies

(Continued)

##### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Patents & licences	10 years straight line
--------------------	------------------------

##### 1.5 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:

Office Equipment	33% reducing balance
Website	33% 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 credited or charged to profit or loss.

##### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

##### 1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

##### 1.8 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.

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

---

#### 1 Accounting policies

(Continued)

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.

#### 1.9 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.

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.

#### 1.10 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.

#### 1.11 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.



# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

---

#### 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, and loans from fellow group companies 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 company's contractual obligations expire or are discharged or cancelled.

#### 1.12 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.

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

---

#### 1 Accounting policies

(Continued)

##### 1.13 Taxation

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

###### **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 company'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 when the company has 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.

##### 1.14 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.

##### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 1.16 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.

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### 1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grants received through the Government furlough scheme are recognised in the Statement of Comprehensive Income, within Other operating income, in the same period as the payroll costs.

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

### 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.

#### Stock and Work in progress

Stock and work in progress is valued at the lower of cost and net realisable value. Net realisable includes, where necessary, provisions for slow moving and obsolete stock, and irrecoverable work in progress. Calculation of these provisions requires judgement to be made, which include forecasting of consumer demand, competitive and economic environment and inventory loss trends.

### 3 Turnover and other revenue

	2020	2019
		unaudited
	£	£
<b>Other operating income</b>		
Grants received	179,972	13,262
Sundry income	46,795	-

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 3 Turnover and other revenue (Continued)

	2020	2019
	£	unaudited £
<b>Turnover analysed by geographical market</b>		
UK	6,120,496	3,954,217
Overseas	4,556,946	7,868,867
	<u>10,677,442</u>	<u>11,823,084</u>

### 4 Operating profit

	2020	2019
	£	unaudited £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(6,853)	(4,521)
Government grants	(179,972)	(13,262)
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	-
Depreciation of owned tangible fixed assets	36,770	79,418
Loss on disposal of tangible fixed assets	604	-
Amortisation of intangible assets	4,709	4,550
Operating lease charges	<u>167,354</u>	<u>114,978</u>

### 5 Employees

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

	2020	2019
	Number	unaudited Number
Employees	<u>46</u>	<u>31</u>

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	unaudited £
Wages and salaries	1,527,388	1,147,726
Social security costs	124,493	112,523
Pension costs	101,320	54,248
	<u>1,753,201</u>	<u>1,314,497</u>

### 6 Directors' remuneration

	2020	2019
	£	unaudited £
Remuneration for qualifying services	<u>161,252</u>	<u>147,000</u>

### 7 Taxation

	2020	2019
	£	unaudited £
<b>Current tax</b>		
UK corporation tax on profits for the current period	326,017	436,785
Adjustments in respect of prior periods	-	(2,328)
Total current tax	<u>326,017</u>	<u>434,457</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(1,139)</u>	<u>(5,840)</u>
Total tax charge	<u>324,878</u>	<u>428,617</u>

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

#### 7 Taxation

(Continued)

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

	2020 £	2019 unaudited £
Profit before taxation	1,640,240	2,160,570
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019 unaudited: 19.00%)	311,646	410,508
Tax effect of expenses that are not deductible in determining taxable profit	11,706	15,781
Under/(over) provided in prior years	-	2,328
Change in deferred tax rate	1,520	-
Fixed asset differences	6	-
Taxation charge for the period	324,878	428,617

A change in the future UK corporation tax rate was announced in the March 2021 budget. The rate will increase to 25% with effect from 1 April 2023. This change has not been substantively enacted at the year end date and therefore current and deferred tax remains calculated at 19%, the rate enacted at the year end date.

#### 8 Intangible fixed assets

	Patents & licences £
<b>Cost</b>	
At 1 May 2019 and 30 April 2020	47,091
<b>Amortisation and impairment</b>	
At 1 May 2019	11,531
Amortisation charged for the year	4,709
At 30 April 2020	16,240
<b>Carrying amount</b>	
At 30 April 2020	30,851
At 30 April 2019	35,560

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 9 Tangible fixed assets

	Office Equipment £	Website £	Total £
<b>Cost</b>			
At 1 May 2019	166,570	121,540	288,110
Additions	24,681	-	24,681
Disposals	(1,467)	-	(1,467)
At 30 April 2020	189,784	121,540	311,324
<b>Depreciation and impairment</b>			
At 1 May 2019	78,360	119,574	197,934
Depreciation charged in the year	34,804	1,966	36,770
Eliminated in respect of disposals	(863)	-	(863)
At 30 April 2020	112,301	121,540	233,841
<b>Carrying amount</b>			
At 30 April 2020	77,483	-	77,483
At 30 April 2019	88,210	1,966	90,176

### 10 Investment property

	2020 £
<b>Fair value</b>	
At 1 May 2019	-
Additions	1,251,083
At 30 April 2020	1,251,083

Investment property comprises one commercial property. The property is carried at its historic cost (based on acquisition cost in the year) of £1,251,083 and the directors believe this carrying value remains appropriate at 30 April 2020.

### 11 Fixed asset investments

	Notes	2020 £	2019 unaudited £
Investments in subsidiaries	12	119,815	-

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 11 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2019	-
Additions	119,815
At 30 April 2020	119,815
<b>Carrying amount</b>	
At 30 April 2020	119,815
At 30 April 2019	-

### 12 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Strathberry Inc	USA	Dormant	Ordinary	100.00 -
Strathberry China Ltd	China	Trading	Ordinary	100.00 -

### 13 Stocks

	2020 £	2019 unaudited £
Raw materials and work in progress	620,112	473,429
Finished goods and goods for resale	609,060	784,353
	<u>1,229,172</u>	<u>1,257,782</u>



# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 14 Debtors

	2020	2019 unaudited
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	672,847	1,733,576
Amounts owed by group undertakings	721,609	342,613
Other debtors	677,995	479,754
Prepayments and accrued income	88,226	159,744
	<u>2,160,677</u>	<u>2,715,687</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

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

	2020	2019 unaudited
	£	£
Trade creditors	414,264	1,242,302
Corporation tax	256,017	436,785
Other taxation and social security	159,573	75,681
Deferred income	761,004	1,534,654
Other creditors	42,778	15,411
Accruals and deferred income	122,510	395,224
	<u>1,756,146</u>	<u>3,700,057</u>

### 16 Provisions for liabilities

	2020	2019 unaudited
	£	£
Opening deferred tax liabilities	12,919	18,759
Movement in the year	(1,139)	(5,840)
	<u>11,780</u>	<u>12,919</u>
Closing deferred tax liabilities		

The above deferred tax provision has arisen as a result of accelerated capital allowances.

### 17 Retirement benefit schemes

	2020	2019 unaudited
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>101,320</u>	<u>54,248</u>

# STRATHBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 18 Share capital

	2020 £	2019 unaudited £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
11,581 ordinary shares of 1p each	115.81	115.81
1 B ordinary share of 1p each	0.01	0.01
1 C ordinary share of 1p each	0.01	0.01
1 D ordinary share of 1p each	0.01	0.01
1 E ordinary share of 1p each	0.01	0.01
1 F ordinary share of 1p each	0.01	0.01
	<u>115.86</u>	<u>115.86</u>

#### Ordinary Shares:

Voting rights - shares rank equally for voting purposes.

Dividend Rights - shares rank equally for any dividend declared.

Distribution rights on winding up - shares rank equally for any distribution on winding up.

These shares are not redeemable.

#### B, C, D, E, F Ordinary Shares:

No voting rights.

Dividends may be declared independently of any other classes.

### 19 Financial commitments, guarantees and contingent liabilities

Svenska Handelsbanken holds a floating charge over the secured assets of the company in respect of a mortgage totalling £1.2m for Strathberry Holdings Ltd, which owns 100% of the shareholding of Strathberry Ltd.

### 20 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:

	2020 £	2019 unaudited £
Within one year	306,818	180,400
Between two and five years	1,135,129	600,000
In over five years	325,348	550,000
	<u>1,767,295</u>	<u>1,330,400</u>

### 21 Directors' transactions

At the balance sheet date, £3,470 (2019 - £209,445) was due to the company by a director. This amount is interest free and repayable on demand. During the year, the director was advanced £290,025 and repaid £496,000.

# **STRATHBERRY LIMITED**

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

***FOR THE YEAR ENDED 30 APRIL 2020***

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### **22 Ultimate controlling party**

The parent company of Strathberry Limited is Strathberry Holdings Limited and its registered office address is 34 Melville Street, Edinburgh, EH3 7HA.

The ultimate controlling party is Guy J H Hundleby who owns 76.37% of the shares in Strathberry Holdings Limited.