

SM HOLDCO LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
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Contents

Balance Sheet	3
Notes to the Financial Statements	4

SM HOLDCO LTD
BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022	2021
		£	£
Fixed assets			
Investment property	3	1,778,010	817,665
Investments	4	1	1
		1,778,011	817,666
Current assets			
Stocks		834,631	829,356
Debtors	5	5,510,437	3,544,595
Cash at bank and in hand		72,424	8,236
		6,417,492	4,382,187
Creditors			
Amounts falling due within one year	6	(4,982,027)	(2,004,254)
Net current assets		1,435,465	2,377,933
Total assets less current liabilities		3,213,476	3,195,599
Net assets		3,213,476	3,195,599
Capital and reserves			
Called-up share capital		1	1
Profit and loss account		3,213,475	3,195,598
Total shareholders' funds		3,213,476	3,195,599

For the financial year ending 31 March 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The director acknowledges their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Sm Holdco Ltd (registered number: SC561820) were approved and authorised for issue by the Director on 31 March 2023. They were signed on its behalf by:

Mr S McCann
Director

SM HOLDCO LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Sm Holdco Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Johnston Carmichael LLP, 227 West George Street, Glasgow, G2 2ND, Scotland, United Kingdom.

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 items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's Report.

The Company's forecasts and projections, taking account of the continued possible impact of COVID-19 in trading performance, show that the company should be able to operate within the level of its current facilities.

Therefore, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Group accounts exemption

Group accounts exemption s399

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its group.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

SM HOLDCO LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Investment property

Investment property is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

The fair value is determined annually by the director, on an open market value for existing use basis.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Interest in subsidiaries are initially measured at cost, which includes the purchase cost and any directly attributable expenditure.

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

Stocks

Stocks are stated at the lower of cost net realisable value.

Stocks include raw work in progress which consists of the cost of development land. Net realisable value is based on estimated selling price less anticipated costs to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

SM HOLDCO LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are recognised at transaction price unless.

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

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including the director	1	1

3. Investment property

	Investment property
	£
Valuation	
As at 01 April 2021	817,665
Additions	960,345
As at 31 March 2022	1,778,010

Valuation

The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. They have considered there was no need for impairment.

SM HOLDCO LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

4. Fixed asset investments

Investments in subsidiaries

	2022
	£
Cost	
At 01 April 2021	1
At 31 March 2022	1
Carrying value at 31 March 2022	1
Carrying value at 31 March 2021	1

Investments in shares

Name of entity	Registered office	Nature of business	Class of shares	Ownership 31.03.2022	Ownership 31.03.2021
Payment Protection Services Limited	272 Bath Street, Glasgow, G2 4JR	Provision of back office and administrative services	Ordinary	100.00%	100.00%

5. Debtors

	2022	2021
	£	£
Amounts owed by associates	0	100,000
Amounts owed by related parties	5,020,000	2,950,000
Corporation tax	8,692	0
Other debtors	481,745	494,595
	5,510,437	3,544,595

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to own subsidiaries	4,599,052	1,635,858
Amounts owed to associates	355,811	352,500
Corporation tax	23,862	10,395
Other creditors	3,302	5,501
	4,982,027	2,004,254

SM HOLDCO LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. Related party transactions

Transactions with owners holding a participating interest in the entity

	2022	2021
	£	£
Amounts owed by associates	0	100,000
Amounts owed to associates	355,811	352,500

Transactions with entities in which the entity itself has a participating interest

	2022	2021
	£	£
Amounts owed to own subsidiaries	4,599,052	1,635,857

Transactions with the entity's director

	2022	2021
	£	£
Amounts owed by directors	481,744	163,062

The director was advanced £482,182 during the year and repaid £163,500. As at 31 March 2022 the director owed the company £481,744 (2021 - £163,062). The loan is interest free and repayable on demand.

Other related party transactions

	2022	2021
	£	£
Amounts owed by other related parties	5,020,000	2,950,000

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.