

Company registration number 01136087 (England and Wales)

ELVSTROM SAILS UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
PAGES FOR FILING WITH REGISTRAR

ELVSTROM SAILS UK LIMITED

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ELVSTROM SAILS UK LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		3,305		3,213
Current assets					
Stocks		84,964		66,020	
Debtors	5	125,020		121,556	
Cash at bank and in hand		34,338		43,519	
		<u>244,322</u>		<u>231,095</u>	
Creditors: amounts falling due within one year	6	<u>(504,571)</u>		<u>(472,456)</u>	
Net current liabilities			<u>(260,249)</u>		<u>(241,361)</u>
Net liabilities			<u>(256,944)</u>		<u>(238,148)</u>
Capital and reserves					
Called up share capital	7	575,090		575,090	
Profit and loss reserves		<u>(832,034)</u>		<u>(813,238)</u>	
Total equity		<u>(256,944)</u>		<u>(238,148)</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 29 June 2023 and are signed on its behalf by:

J O Lang-Tandrup
Director

Company Registration No. 01136087

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Elvstrom Sails UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is HYS, Unit 2, Port Hamble, Hamble, Southampton, Hampshire, SO31 4NN.

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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

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 financial instruments not measured at fair value; 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 Elvstrom Sails A/S. These consolidated financial statements are available from its registered office, Paul Elvstrøms Vej 4, DK-6200 Aabenraa, Denmark.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes the continued support of the company's ultimate parent company, Elvstrom Sails A/S. The directors have no reason to believe that this support will not continue.

If this continued support was not forthcoming the going concern basis would not be appropriate, and adjustments would have to be made to reduce the value of the assets to their realisable amounts and re-classify long term liabilities as current liabilities. The financial statements do not include any adjustments that would result from a withdrawal of this support.

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. The fair value of consideration takes into account trade and settlement discounts. Revenue is recognised on the raising of a sales invoice.

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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:

Improvements to leasehold property	33.33% straight line
Plant and machinery	10%, 20% and 33.33% 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.

1.5 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.

1.6 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.

Work in progress is valued at the lower of cost and net realisable value.

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.

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.

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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.

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.

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.13 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.

1.14 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.

There are not considered to be any significant judgements or key sources of estimation uncertainty.

3 Employees

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

	2022 Number	2021 Number
Total	4	4

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Tangible fixed assets

	Improvements to leasehold property	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2021	1,175	28,932	30,107
Additions	-	832	832
Disposals	-	(12,973)	(12,973)
	<u>1,175</u>	<u>16,791</u>	<u>17,966</u>
At 30 September 2022	1,175	16,791	17,966
Depreciation and impairment			
At 1 October 2021	1,175	25,719	26,894
Depreciation charged in the year	-	740	740
Eliminated in respect of disposals	-	(12,973)	(12,973)
	<u>1,175</u>	<u>13,486</u>	<u>14,661</u>
At 30 September 2022	1,175	13,486	14,661
Carrying amount			
At 30 September 2022	-	3,305	3,305
	<u>-</u>	<u>3,305</u>	<u>3,305</u>
At 30 September 2021	-	3,213	3,213
	<u>-</u>	<u>3,213</u>	<u>3,213</u>

5 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	120,287	117,576
Prepayments and accrued income	4,733	3,980
	<u>125,020</u>	<u>121,556</u>
	<u>125,020</u>	<u>121,556</u>

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	29,232	11,305
Amounts owed to group undertakings	457,778	434,290
Taxation and social security	4,159	18,395
Other creditors	325	1,885
Accruals and deferred income	13,077	6,581
	<u>504,571</u>	<u>472,456</u>
	<u>504,571</u>	<u>472,456</u>

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	575,090	575,090	575,090	575,090

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 qualified and the auditor reported as follows:

Qualified opinion on financial statements

We have audited the financial statements of Elvstrom Sails UK Limited (the 'company') for the year ended 30 September 2022 which comprise , the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of the report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 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 qualified opinion

We were not appointed as auditor of the company until after 30 September 2022 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 September 2022, which are included in the balance sheet at £84,964, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary.

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.

The senior statutory auditor was Mark Gregory ACA and the auditor was Fiander Tovell Limited.

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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:

	2022 £	2021 £
Within one year	20,625	26,650
Between two and five years	-	19,987
	<u>20,625</u>	<u>46,637</u>

10 Related party transactions

The company has taken advantage of the exemption available in FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

11 Parent company

The immediate parent company is Sobstad Sailmakers (UK) Limited, a company incorporated in England and Wales. Its registered office is Unit 2, Hamble Yacht Services, Port Hamble, Southampton, Hampshire, SO31 4NN.

Sobstad Sailmakers (UK) Limited is a wholly owned subsidiary of Elvstrom Sails A/S, a company incorporated in Denmark.

Elvstrom Sails UK Limited is consolidated into the Group Annual Report of Elvstrom Sails A/S. Copies of the Group Annual Report can be obtained from the following address:

Paul Elvstrøms Vej 4, DK-6200 Aabenraa, Denmark.

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.