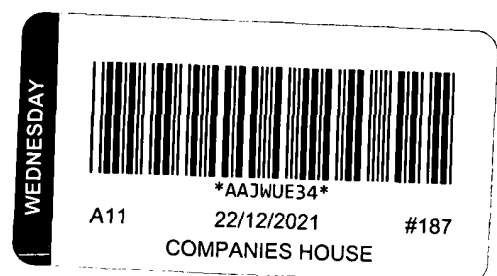


Company Registration No. 02681003 (England and Wales)

**VTECH COMMUNICATIONS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2021**



# VTECH COMMUNICATIONS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Hoi Cheung Yu Wai Chang Ka Hung Tong
<b>Secretary</b>	Gary Jesson
<b>Company number</b>	02681003
<b>Registered office</b>	12 Napier Court Barton Lane Abingdon Science Park Abingdon Oxfordshire England OX14 3YT
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP

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# VTECH COMMUNICATIONS LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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The directors present the strategic report for the year ended 31 March 2021.

### Fair review of the business

The directors consider the performance of the company to be satisfactory and expect future results to be similar. The company has continued to provide marketing services to the parent undertaking on a cost-plus fixed margin basis. Costs have remained constant with prior years.

The subsidiaries continue to have positive results. The directors expect to maintain this in future years.

### Principal risks and uncertainties

For the trading activity the company is dependent on the support of the parent undertaking. The risks and key performance indicators relevant to the company are managed on a group basis by the parent company.

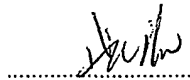
The principal risk to the business relates to the carrying value of the investment in subsidiaries held as these represent a significant proportion of the assets and income of the company. This risk is managed on an ongoing basis by the directors to ensure that sufficient profit and cash is generated. At the reporting date the directors assessed the company's interest in subsidiaries for impairment. No impairment losses were recognised.

### Section 172(1) statement

The directors of the company note that they have a duty to promote the success of the company for the benefit of the company's shareholders, having regard to a number of broader matters including the likely long term consequences of decisions, and the company's wider relationships. In this regard, the board:

- considers on an annual basis the key business activities and the likely long term consequences of any key decisions;
- ensures employees are regularly engaged through annual reviews to discuss employee performance, suitability and interest;
- ensures the company maintains strong business relationships with suppliers, customers and others;
- ensures the company's operations do not have a negative impact on the community and environment; and
- ensures, through the company's policies and procedures, that the desired high standards of business conduct prevail across all functions.

On behalf of the board



Hoi Cheung  
Director

Date: ...20...DECEMBER 2021

# VTECH COMMUNICATIONS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

### Principal activities

The principal activities of the company during the year were to provide marketing services to VTech Telecommunications Limited, its immediate holding company based in Hong Kong, and to act as an intermediate holding company.

### Results and dividends

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

No ordinary dividends were paid (2020: £nil). The directors do not recommend payment of a final dividend.

### Directors

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

Hoi Cheung  
Yu Wai Chang  
Ka Hung Tong

### Future developments

The directors do not expect the company's principal activity to change from that of providing marketing and holding company services to VTech Telecommunications Limited.

### Auditor

RSM UK Audit LLP is deemed to be re-appointed as auditor of the company for the ensuing year according to the Companies Act 2006.

### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

### Financial risk management objectives and policies

The company is dependent on the support of the parent undertaking. The risks and key performance indicators relevant to the company are managed on a group basis by the parent company.

### Carbon and energy reporting

The company is considered a low energy consumer with the UK usage being below 40,000 kWh of energy thus no additional disclosure has been made.

On behalf of the board

  
.....  
Hoi Cheung  
Director

Date: 20 DECEMBER 2021

# **VTECH COMMUNICATIONS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The directors are responsible for preparing the Strategic Report and the 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 of 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VTECH COMMUNICATIONS LIMITED**

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### **Opinion**

We have audited the financial statements of VTech Communications Limited (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VTECH COMMUNICATIONS LIMITED (CONTINUED)**

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and tax provision calculations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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

### 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.

*David Olsson*

David Olsson (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP

20/12/21.....



# VTECH COMMUNICATIONS LIMITED

## INCOME STATEMENT

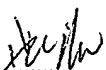
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	609,872	742,879
Administrative expenses		(573,418)	(697,256)
Other operating income		3,685	3,695
Profit before taxation		40,139	49,318
Tax on profit	7	-	-
Profit for the financial year		40,139	49,318

**VTECH COMMUNICATIONS LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	8		563		900
Investments	9		11,514,737		11,514,737
<b>Current assets</b>					
Debtors	11	244,191		184,465	
Cash at bank and in hand		33,723		43,258	
		277,914		227,723	
<b>Creditors: amounts falling due within one year</b>	12	(110,026)		(100,311)	
<b>Net current assets</b>			167,888		127,412
<b>Total assets less current liabilities</b>			11,683,188		11,643,049
<b>Capital and reserves</b>					
Called up share capital	15	11,410,000		11,410,000	
Profit and loss reserves	16	273,188		233,049	
<b>Total equity</b>			11,683,188		11,643,049

The financial statements were approved by the board of directors and authorised for issue on 20 DECEMBER 2021 and are signed on its behalf by:

  
 .....  
 Hoi Cheung  
 Director

# VTECH COMMUNICATIONS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019	11,410,000	181,500	11,591,500
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	49,318	49,318
Credit to equity for equity settled share-based payments	-	2,231	2,231
Balance at 31 March 2020	11,410,000	233,049	11,643,049
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	40,139	40,139
Balance at 31 March 2021	11,410,000	273,188	11,683,188

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Company information

VTech Communications Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 12 Napier Court Barton Lane, Abingdon Science Park, Abingdon, Oxfordshire, England, OX14 3YT.

The company's principal activities and nature of its operations are disclosed in the Strategic Report and the Directors' Report.

#### 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 £1.

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 each category of financial instrument;
- 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, 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 VTech Holdings Limited. These consolidated financial statements are available from 23rd Floor, Tai Ping Industrial Centre, Block 1, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

VTech Communications Limited is an indirect wholly-owned subsidiary of VTech Holdings Limited and the results of VTech Communications Limited are included in the consolidated financial statements of that company which are available from the address shown above.

#### Going concern

The financial statements have been prepared on a going concern basis as the company's parent undertaking VTech Holdings Limited has confirmed its intention to provide such support to the company as is necessary to enable it to continue to trade for the foreseeable future. The directors have confirmed that the wider financial position of the group is sound. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### **Turnover**

Turnover represents a recharge of expenses plus 7% to VTech Telecommunications Limited, the immediate holding company.

#### **Other income**

Dividend income from investments in subsidiaries is recognised when the company's right to receive payment is established.

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment	3 years
--------------------	---------

#### **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.

#### **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 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 amounts owed by group undertakings and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being transaction price less amounts settled.

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

Financial assets 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. The impairment loss 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.

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies (Continued)

##### *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 trade creditors, accruals and amounts owed to group undertakings are initially recognised at transaction price and subsequently measured at amortised cost, being transaction price less amounts settled.

##### *Derecognition of financial liabilities*

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

##### *Equity instruments*

Equity instruments issued by the company are recorded at the fair value of 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.

##### *Taxation*

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### *Employee benefits*

The costs of short-term employee benefits are recognised as a liability and an expense as incurred.

##### *Retirement benefits*

The company contributes to various independently administered and funded defined contribution personal pension schemes of individual employees. The pension charge represents contributions payable by the company for the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

---

### 1 Accounting policies (Continued)

#### Share-based payments

The ultimate parent company, VTech Holdings Limited, issued shares to one employee of the company in the prior year for nil consideration. This equity-settled share-based payment was measured at fair value at the date of grant by reference to the listed share price on that date. There were no performance conditions attached to the shares granted. The fair value of the shares granted to the employee was recognised in profit or loss and a corresponding adjustment was made to equity.

#### 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.

#### Research and development expenditure

Expenditure on research and development is recognised in profit or loss in the year in which it is incurred.

### 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### *Carrying value of investments*

The company reviews each of its subsidiary undertakings for indicators of impairment at each reporting date and makes an estimate of the recoverable value of its investments. The company considers indicators of impairment such as profitability, cash generation and future trading of subsidiary undertakings.

The carrying value of investments in subsidiary undertakings at the reporting date was £11,514,737 (2020: £11,514,737). No impairment losses have been recognised in respect of investments in subsidiaries.

Apart from the above, the directors do not consider there to be any critical judgements or sources of estimation uncertainty that need to be brought to the attention of users of the accounts.

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 3 Turnover and other revenue

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

	2021 £	2020 £
Turnover analysed by class of business		
Marketing services	608,329	727,868
Sale of goods	1,543	15,011
	<u>609,872</u>	<u>742,879</u>

### 4 Employees

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

	2021 Number	2020 Number
Research and development	1	1
Marketing	2	2
Directors	3	3
Total	<u>6</u>	<u>6</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	304,777	328,484
Social security costs	41,406	48,277
Pension costs	27,398	28,239
	<u>373,581</u>	<u>405,000</u>

The directors of the company have been remunerated for their services through other group companies however any allocation between companies would be notional. Therefore, their remuneration has been disclosed in the financial statements of the relevant company from which the remuneration is received.

### 5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	337	112
Share-based payments	-	2,231
Operating lease charges	-	6,852
	<u></u>	<u></u>



# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 5 Operating profit (Continued)

During the prior year the ultimate parent company granted shares to an employee of the company. The grant did not carry any performance obligation and no options to acquire further shares were in place at the reporting date.

### 6 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	7,600	8,350
<b>For other services</b>		
Taxation compliance services	2,550	2,550
All other non-audit services	3,375	3,375
	<u>5,925</u>	<u>5,925</u>

### 7 Taxation

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>40,139</u>	<u>49,318</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	7,626	9,370
Tax effect of expenses that are not deductible in determining taxable profit	54	704
Unutilised tax losses carried forward	(8,015)	-
Provisions tax adjustment	335	-
Recognition of deferred tax assets in respect of tax losses not previously recognised	-	(10,074)
Taxation charge for the year	<u>-</u>	<u>-</u>

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	9,266
<b>Depreciation and impairment</b>	
At 1 April 2020	8,366
Depreciation charged in the year	337
At 31 March 2021	8,703
<b>Carrying amount</b>	
At 31 March 2021	563
At 31 March 2020	900

### 9 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	10	11,514,737	11,514,737

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2020 & 31 March 2021	11,514,737
<b>Carrying amount</b>	
At 31 March 2021	11,514,737
At 31 March 2020	11,514,737

### 10 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 10 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
VTech Technologies Canada Ltd.	(1)	Sales of telecommunication and electronic products	Class A Common Voting Shares	100.00	-
			Class B Common Non-Voting Shares	100.00	-
Snom Technology GmbH	(2)	Design, manufacture and distribution of telecommunication products	Ordinary	100.00	-
Snom Technology Ltd.	(3)	Dormant	Ordinary	-	100.00
Snom Solutions GmbH	(2)	Dormant	Ordinary	-	100.00

(1) 13888 Wireless Way, Richmond, British Columbia, V6V 0A3, Canada

(2) Wittestraße 30G, 13509 Berlin, Germany

(3) 5th Floor-2, No. 2-1, 89 Lane, Siwei Road, North District, Hsinchu City, Taiwan

### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	206,657	146,742
Other debtors	7,231	7,593
Prepayments and accrued income	303	130
	<u>214,191</u>	<u>154,465</u>
Deferred tax asset (note 13)	30,000	30,000
	<u>244,191</u>	<u>184,465</u>

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

	2021 £	2020 £
Trade creditors	9,083	1,544
Amounts owed to group undertakings	44,010	44,010
Taxation and social security	31,440	33,718
Accruals and deferred income	25,493	21,039
	<u>110,026</u>	<u>100,311</u>

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 13 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Assets 2021 £	Assets 2020 £
Balances:		
Tax losses	30,000	30,000

The deferred tax asset set out above is expected to reverse within 36 months and relates to the utilisation of tax losses against future expected profits of the same period.

Deferred tax is not recognised in respect of losses of £1,929,554 (2020: £1,970,333) as it is not probable that they will be recovered against future taxable profits.

### 14 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	27,398	28,239

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

Contributions totalling £2,389 (2020: £2,121) were payable to the fund at the year end and are included in creditors.

### 15 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	11,410,000	11,410,000	11,410,000	11,410,000

The company has one class of ordinary shares which carry no right to fixed income.

### 16 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# VTECH COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 17 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:

	2021	2020
	£	£
Within one year	-	2,284
	<u>          </u>	<u>          </u>

### 18 Ultimate controlling party

The immediate parent company is VTech Telecommunications Limited, a company registered in Hong Kong. The ultimate parent company is VTech Holdings Limited, a company incorporated in Bermuda.

The largest and smallest group into which the results of the company are consolidated is that headed by VTech Holdings Limited, incorporated in Bermuda. The consolidated financial statements of this group are available to the public and may be obtained from:

23rd Floor, Tai Ping Industrial Centre, Block 1  
57 Ting Kok Road  
Tai Po  
New Territories  
Hong Kong