

Registered No. 08492819

SharkNinja Europe Ltd

Reports and Financial Statements

31 December 2022

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COMPANIES HOUSE

Directors

L P Flynn

T A Brown

P J Lopez-Baldrich

Auditors

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

West Yorkshire

LS11 5QR

Registered Office

1st/2nd Floor

Building 3150

Thorpe Park

Century Way

Leeds

West Yorkshire

LS15 8ZB

Strategic report

The directors present their strategic report for the year ended 31 December 2022.

Principal activity and review of the business

The company is a trading parent company and the principal activity of the group and company is the sale of small kitchen appliances under the Ninja brand name and floor care appliances under the Shark brand name ("SharkNinja group").

Review of the business

In the year, the company achieved sales of £ 507,546,402 (Year ended 31 December 2021: £440,979,854), an increase of 15% over the previous year. Gross profits for the year were £162,372,443 in the year ended 31 December 2022 (Year ended 31 December 2021: £153,337,849). The directors consider the improvement in sales and gross profit to be a satisfactory result.

The directors continue to adopt a going concern basis in preparing the financial statements.

Principal risks and uncertainties

SharkNinja Europe Ltd is committed to effectively identifying and managing its risks and embedding the process of risk management into the business management system.

Other economic conditions

The UK left the European Union as of 31 December 2020. Uncertainty still remains over the medium to long-term impacts of leaving the European Union. Adverse effects of the transition could be volatility in global stock markets and in turn a devaluation of the sterling against foreign currencies and therefore the company could be impacted by such outcomes. The directors do not believe that the withdrawal will have a material impact on the company's results but continue to actively monitor the economic conditions, and have not noted any material adverse impacts to date.

Throughout 2022 there were significant headwinds faced by the business as a result of macro-economic conditions, notably the devaluation of sterling against the US Dollar, rising sea freight costs and increased energy costs globally. Whilst such macroeconomic factors have the potential to materially impact the business, we believe that the financial health of the business is secure and the outlook for future periods is positive.

Other risks

The other key business risks affecting the company are considered to relate to pressure on margins due to foreign exchange rates or increases in costs, product substitute and the general state of economic activity in the UK and Europe.

Section 172 (1) statement

The directors of the company have reviewed, both individually and collectively, that they have acted in the way they consider, would be the most likely to promote the success of the company for the benefits of its shareholders whilst having due regard to its key stakeholders as set out in section 172 (1) of the Companies Act 2006 during the year ended 31 December 2022. Section 172 (1) assesses the above with key considerations in respect of the interests of the company's employees, business relationships with customers, suppliers and others, the impact of the company's operations on the community and the environment and the desirability of the company of maintaining a reputation for high standards of business conduct. The directors have fulfilled their duties in respect of section 172 (1) as follows:

Strategic Report (continued)

Working for the benefit of our shareholder

The corporate governance policies and procedures in place largely derived from the governance framework mandated by SharkNinja group. This ensures a continuous and structured dialogue with the Board of SharkNinja Europe Ltd (“SNE”) and includes regular visits and detailed corporate governance sign-off procedures. In addition, X Wang was a member of the board of our immediate parent and ultimate parent. We engage with SharkNinja group on significant capital projects and prior approval is required for certain monetary commitments or risk criteria. Principal investments during the year relate to the creation of our subsidiary network and intellectual property rights. Strategic plans and associated annual financial targets are discussed and signed off by both the SNE Board and SharkNinja group. Post sign off there is regular communication between SharkNinja group and the SNE Board regarding performance against these financial targets. Please see the KPIs section included within the Strategic Report for highlights of the year. Various functions within SNE – including Legal and Compliance – have an independent direct reporting line into SharkNinja group and, on behalf of SharkNinja group, these functions formally test and report on compliance with key financial and ethical regulations applied in SNE. SharkNinja group also has formal oversight of these processes and play a role in ensuring that improvements are implemented where required.

Strategic Report (continued)

Engaging with our employees

The company has a well-developed structure through which it engages regularly with its employees. In order to provide employees with the necessary information to understand the financial and economic factors affecting the company's performance, the company holds town-hall meetings every quarter.

Fostering business relationships

Customers

We have a dedicated National Account Manager for each major retailer. We engage with our retail customers through a variety of channels including gaining feedback through customer demonstrations of our products. Selling products direct to consumers through our SharkNinja website or television shopping platforms, enables the company to obtain first-hand knowledge of consumer behaviours.

Furthermore, the consumer insights team is responsible for gathering and disseminating consumer feedback in support of product development and commercial strategies.

Supply chain and suppliers

To monitor our finished product inventory levels and minimise obsolete inventory, we have a strict inventory control policy whilst closely monitoring sales records of our distributors and retailers. Through various data feeds and discussions with distributors, we are able to monitor the sales performance of the distributors and retailers, understand the latest market demand on our products, prepare sales forecasts and production schedules and maintain an optimal inventory level which can satisfy the market demand in a timely manner but without increasing the risk of inventory obsolescence.

We work closely with our suppliers to strengthen and enhance our relationship with them, implement our quality control standards and improve our bargaining power in terms of pricing and overall risk management. We report on our payment practices in accordance with The Small Business, Enterprise and Employment Act 2015.

The company sources finished goods and critical components to support the sales and marketing of our business. We seek to only deal with reputable suppliers and suppliers that share our zero tolerance policy in respect of human trafficking and slavery. We conduct routine internal social compliance audits with our first tier suppliers, with human trafficking and slavery being one of the key areas we assess. During these audits, we speak at random to supplier employees to assess their voluntary employment, their employment freedom and the holding of identification documentation.

We require and oversee our first tier suppliers conducting their own audits of our second tier suppliers, and we review their audit reports constantly.

Community

We are supported by external consultants to assess environmental risks and opportunities, including areas such as carbon management, waste management and data management.

Maintaining a reputation for high standards of business conduct

In accordance with our procedures, our in-house legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under our business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

We set out systematic internal rules and guidelines for our employees, including best commercial practice, work ethics and a prevention mechanism to avoid fraud, negligence and corruption. We provide employees with regular training and resources to keep them abreast of the guidelines contained in the employee handbook. In addition, we provide regular and specialized trainings tailored to the needs of our employees in different departments. Through such training, we ensure that our employees' skill sets remain up-to-date. The company has formal anti-bribery and corruption policies, supported by a whistleblowing process and, where necessary, proportionate and independent investigation and follow up of any matters reported.

Strategic Report (continued)

Energy and Greenhouse Gas Report

SharkNinja has appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table below summarises the GHG emissions for reporting year: 1st January 2022 to 31st December 2022 for SharkNinja Europe Ltd. As a business we have been assessing our carbon emissions since 2018, and have provided this year and last year's assessment results for comparison.

Scope	Activity	2022	2021
Scope 1	Company car travel	9.81	1.74
	Owned Vans	0.88	0
Scope 1 Sub Total		10.69	1.74
Scope 2	Electricity generation	48.10	29.25
Scope 2 Sub Total		48.10	29.25
Scope 3	Outsourced Logistics - Sea	5,544.29	23,261.59
	Outsourced Logistics - Road	866.98	6,856.36
	Flights	406.98	33.30
	Outsourced Logistics - Rail	97.87	0.00
	Grey fleet	34.87	36.14
	Waste	22.2	17.08
	Taxi travel	9.72	0.46
	Electricity transmission & distribution	4.26	2.59
	Rail travel	1.33	0.12
	Scope 3 Sub Total	6,988.50	30,209.79
Total tonnes of CO2e		7,047.29	30,209.79
Kilograms of CO2e per unit sold		1.28	6.84
Total Energy Consumption(kWh)*		429,200	302,616

* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

There were no specific energy reduction measures implemented over the assessment period, however over the course of the next year SharkNinja will be looking at options to reduce its energy consumption, as well as setting longer term targets for carbon reduction. In addition to such measures specific to energy consumption and carbon reduction, SharkNinja is actively reducing its use of plastic packaging and other measures to materially improve its sustainability.

Strategic Report (continued)

Key performance indicators

The company uses a number of measures, both financial and non-financial to monitor the performance of the company:

Financial

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
Revenue	507,546	440,980
Adjusted operating profit*	96,627	66,265

*Non-GAAP measures

To supplement the income statement, which is presented in accordance with FRS101 using IFRS measurement standards, the Company also uses adjusted operating profit as non-IFRS measures, which are unaudited and not required by, or presented in accordance with, IFRS. The Company believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to potential users of the financial statements and management in facilitating a comparison of the Company's operating performance from period to period by eliminating potential impacts of certain items that do not affect the Company's ongoing operating performance, including expenses arising from group management charges and depreciation and amortisation. Such non-IFRS measures allow users to consider matrices used by the Company's management in evaluating the Company's performance. The use of the non-IFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS.

Non-Financial

- 5 star customer service – ensuring every customer receives 5 star purchasing experience in both product and service; and
- Complete and on time deliveries – monitoring and maintaining high service levels.

Future Outlook

The company is looking forward to consolidating its position in the EU and expanding into further European markets whilst still challenging and pushing forward in its aim to become market leader across Europe.

Approved by the Board on 28 September 2023 and signed on its behalf by:



Thomas Brown
Director

Registered No. 08492819

Directors' report

The directors present their report and financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year after taxation amounted to £16,013,194 (Year ended 31 December 2021: Profit of £11,307,507). The directors do not recommend a final dividend for the year ended 31 December 2022 (Year ended 31 December 2021: £nil).

Strategic Report

The directors have chosen in accordance with section 414C (11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company. To this end, future developments and Energy & Greenhouse Gas Reporting have been covered in the Strategic Report.

Post Balance Sheet Events

On 31 July 2023 SharkNinja Europe Ltd was part of a group of companies that spun from its common parent company, JS Global Lifestyle Company Limited to a newly formed company SharkNinja Inc. As part of this transaction the Ultimate Parent Company of SharkNinja Europe Ltd became SharkNinja Inc. SharkNinja Inc is a company listed on the New York Stock Exchange. There were no other changes to the ownership of SharkNinja Europe Ltd, and the company remains wholly owned by its Immediate Parent SharkNinja Global SPV 2 Limited.

Directors

The directors who served the company during the year and to the date of this report were as follows:

X Wang (Resigned 28 July 2023)
T A Brown (Appointed 27 February 2023)
P Carbone (Appointed 27 February 2023, Resigned 11 July 2023)
P J Lopez-Baldrich (Appointed 27 February 2023)
L P Flynn (Appointed 11 July 2023)
M Broadway (Resigned 27 January 2022)
D Stevenson (Resigned 27 February 2023)
J Wright (Resigned 27 September 2022)

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to all of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Thomas Brown
Director
28 September 2023

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*. 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 judgments and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- 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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to The Members Of SharkNinja Europe Ltd

Opinion

We have audited the financial statements of SharkNinja Europe Limited for the year ended 31 December 2022 which comprise the Income statement and other comprehensive income, the statement of financial position, the Statement of changes in equity and the related notes 1 to 23, 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 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 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 from when the financial statements are authorised for issue until 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditors' Report To The Members of SharkNinja Europe Ltd (Continued)

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 this 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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

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 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 9 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.

Independent Auditors' Report To The Members of SharkNinja Europe Ltd (Continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

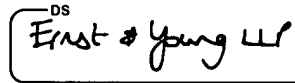
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, (FRS 101 and The Companies Act 2006) and the relevant direct and indirect tax laws and regulations in the UK.
- We understood how SharkNinja Europe Ltd is complying with those frameworks by making enquiries of management, those responsible for legal compliance and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated the results of our enquiries through reading the board minutes and correspondence with UK tax authorities to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering previous EY experience with the company, inquiring with management from various parts of the business to understand where they considered there was susceptibility to fraud and what entity level controls are in place. We also identified the existence of performance targets and their potential influence on management to manage earnings by manipulating revenue. We considered the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Specifically, we identified a fraud risk in relation to revenue recognition and performed detailed audit procedures over the revenue accounts utilising our analytics tools and paying particular attention to manual journals in order to address the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

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

Independent Auditors' Report To The Members of SharkNinja Europe Ltd (Continued)

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.

^{DS}
The image shows a handwritten signature in black ink, which appears to read 'Ernst & Young LLP'. The signature is written in a cursive, stylized font. Above the signature, the letters 'DS' are printed in a small, superscripted font. The signature is enclosed within a thin, hand-drawn rectangular box.

Peter Buckler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds, UK
28 September 2023

Income statement and other comprehensive income

for the year ended 31 December 2022

		<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>Notes</i>	<i>£000s</i>	<i>£000s</i>
Revenue	2	507,546	440,980
Cost of sales		(345,174)	(287,642)
Gross profit		162,372	153,338
Administrative expenses		(179,838)	(139,518)
Other operating income		301	134
Operating (loss)/profit	3	(17,165)	13,954
Net finance expense	7	(2,574)	(311)
Profit on ordinary activities before taxation		(19,739)	13,643
Taxation	8	3,726	(2,336)
Profit and total comprehensive loss for the year		(16,013)	11,307

All amounts relate to continuing activities.

Non-GAAP measures shown below are explained in further detail on page 6.

Operating (loss)/profit	(17,165)	13,954
Adjusted for:		
Depreciation and amortisation	23,598	27,239
Management charges	90,194	25,072
Adjusted operating profit	96,627	66,265

Statement of financial position

At 31 December 2022

		31 December 2022	31 December 2021 (as restated)
	Notes	£000s	£000s
Intangible assets	9	22,709	44,181
Investments	11	1,011	583
Property, plant and equipment	12	1,836	3,271
Deferred tax asset	8	5,004	721
Non-Current assets		30,560	48,756
Inventories	13	90,282	131,666
Trade and other receivables	14	229,112	166,946
Cash and cash equivalents		59,874	33,750
Current assets		379,268	332,362
Total assets		409,828	381,118
Trade and other payables	15	(181,494)	(166,330)
Loans and borrowings	16	(156,330)	(129,699)
Provisions	17	(10,371)	(6,724)
Current liabilities		(348,195)	(302,753)
Loans and borrowings	16	(206)	(1,013)
Provisions	17	(340)	(340)
Deferred tax liability	8	(365)	(295)
Non-Current liabilities		(911)	(1,648)
Total liabilities		(349,106)	(304,401)
Net assets		60,722	76,717
Capital and reserves			
Called up share capital	19	-	-
Share premium	20	63,439	63,439
Profit and loss account	20	(5,434)	10,579
Capital contribution reserve	20	2,717	2,699
Net assets		60,722	76,717

Approved by the board on 28 September 2023 and signed on its behalf by



Thomas Brown
Director

Company registered number: 08492819

Statement of changes in equity

for the year ended 31 December 2022

	<i>Called-up capital £000s</i>	<i>Share premium £000s</i>	<i>Profit and loss account £000s</i>	<i>Capital contribution reserve £000s</i>	<i>Total Equity £000s</i>
As at 31 December 2020	-	62,745	(728)	2,657	64,674
Profit for the financial year	-	-	11,307	-	11,307
Issued share capital	-	694	-	-	694
Capital injection	-	-	-	8	8
Share-based payment expense	-	-	-	34	34
As at 31 December 2021	-	63,439	10,579	2,699	76,717
Profit for the financial year	-	-	(16,013)	-	(16,013)
Issued share capital	-	-	-	-	-
Capital injection	-	-	-	-	-
Share-based payment expense	-	-	-	18	18
As at 31 December 2022	-	63,439	(5,434)	2,717	60,722

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

Statement of compliance

SharkNinja Europe Ltd is a limited liability company incorporated in England, United Kingdom and prepared in accordance with the Companies Act 2006. The registered office is 1st/2nd Floor, Building 3150, Thorpe Park, Century Way, Leeds, LS15 8ZB.

These financial statements are presented in pounds sterling (to the nearest thousand unless otherwise stated) because that is the currency of the primary economic environment in which the company operates.

Prior Year Restatement

During the year management, as part of the preparing for a reorganisation of the JS Global group and the spinout of the SharkNinja brands, became aware that the accounting for rebate and promotional activities was presented in the balance sheet for the UK statutory accounts on a gross basis compared to a net basis in the group consolidated accounts. Having noted this management then reviewed the contractual arrangements with customers and revisited the requirements of IAS1, IAS 32 and IFRS 15 with regards net or gross presentation concluding that the net presentation basis should have been used in the UK statutory accounts. The impact of this material presentation error has now been corrected which resulted in the restatement of the trade debtors and accruals and deferred income (see notes 14 and 15).

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council to prepare its financial statements in accordance with FRS 101 'Reduced Disclosure Framework' ("FRS 101") and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention, modified for the revaluation of certain financial assets and liabilities at fair value. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- Business combinations;
- Financial instruments;
- Remuneration for key management;
- Fair value measurements;
- Statement of Cash Flows for the company;
- Certain related party transactions including those with subsidiaries;
- Certain property, plant and equipment disclosures; and
- The effect of new but not yet effective IFRSs.

The basis for the above exemptions is because equivalent disclosures are included in the financial statements in which the entity is consolidated.

The preparation of financial statements in conformity with FRS101 requires the use of accounting estimates. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclose below in 'Critical accounting estimates and key judgements'.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Application of new and revised International Financial Reporting Standards

Amendments to IFRSs that are mandatorily effective for the current year

The following accounting standards and interpretations, issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC"), are effective for the first time in the current financial year.

- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 16: Proceeds before intended use
- Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IFRS16: Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Amendments to IFRS1, IFRS9, IFRS16 and IAS41: Annual Improvements to IFRS Standards 2018–2020

Amendments to IFRS 3: Reference to the Conceptual Framework

In March 2018, the IASB issued the 2018 Conceptual Framework and most references to the Framework included in IFRSs were updated to the 2018 Framework at that time. However, paragraph 11 of IFRS 3 Business Combinations, which continued to refer to the 1989 Framework, was not updated as this could have caused conflicts for entities applying IFRS 3. Potential conflicts occur as the definition of assets and liabilities in the 2018 Framework differ from those in the 1989 Framework potentially leading to day 2 gains or losses post-acquisition for some balances recognised. In a May 2019 exposure draft, the IASB identified three possible amendments to IFRS 3 that would update IFRS 3 without significantly changing its requirements. These amendments have now been finalised. This amendment had no impact on the financial statements of the company.

Amendments to IAS16: Proceeds before intended use

The issue was initially raised with the IFRS Interpretations Committee that had originally intended to develop an interpretation of IAS 16 Property, Plant and Equipment to deal with it. However, during the course of discussions the Committee concluded that a narrow-scope amendment to IAS 16 would be a better solution. Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. This amendment had no impact on the financial statements of the company.

Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract

The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment had no impact on the financial statements of the company.

Notes to the financial statements

For the year ended 31 December 2022

Amendments to IFRS16: Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

The Changes in Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) amend IFRS 16 to

permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021); require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021; require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

Amendments to IFRS1, IFRS9, IFRS16 and IAS41: Annual Improvements to IFRS Standards 2018–2020

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**
Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- **IFRS 9 Financial Instruments**
Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- **IFRS 16 Leases Lease incentives.**
The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- **IAS 41 Agriculture Taxation in fair value measurements.**
The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments outlined in the Annual improvements to IFRS standard 2018-2020 have not impacted the financial statements of the company.

Exemption from preparing group financial statements

On 18 December 2019, one of the company's intermediate parent companies, JS Global Lifestyle Company Limited, a company incorporated in the Cayman Islands, listed on the Hong Kong exchange. As a result, the company does not prepare group financial statements as it is exempt from doing so by section 401 of the Companies Act 2006. JS Global Lifestyle Company Limited prepares publicly available consolidated financial statements that include the results of the company. These consolidated financial statements are available at the registered office of JS Global Lifestyle Company Limited which is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Going concern

In considering the appropriate basis on which to prepare the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future.

The directors considered the position of the company at 31 December 2022 as follows:

- The company was in a net asset position of £61m at the balance sheet date.
- The day to day working capital needs of the company are met utilising the cash reserves which at 31 December amounted to £59.9m.
- The company has no external borrowings. Furthermore, none of the company's assets have been pledged as security and the longer term funding is provided by fellow companies within the wider SharkNinja group.
- The company has a positive adjusted operating profit of £96.6m for the year ended 31 December 2022.

In addition, the directors have made an assessment and satisfied themselves of the company's ability to continue as a going concern through reviewing the company's forecasts and projections, together with factors likely to affect its future development, performance and position as follows:

- The disruptions to supply and distribution channels have now eased, and the business has experienced no material effects on the supply chain.
- The directors have considered the forecasts through to 30 September 2024 and have stress tested those forecasts including considering the possibility of the anticipated growth levels in the European markets not materialising.
- The company's existing cash reserves will be sufficient

As at the date of the approval of the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Summary of significant accounting policies

Investments

Investments in subsidiaries, joint ventures and associated companies are carried at cost, less accumulated impairment losses in the company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Foreign currencies

Transactions in foreign currencies are translated into sterling using the relevant monthly average rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling (the company's functional currency) at rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the appropriate category of the Income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment & furniture	33.33% per annum on a straight-line basis
Fixtures and fittings	As above or until the end of the lease, whichever is sooner
Motor vehicles	33.33% per annum on a straight-line basis
Right-of-use asset	Over the lease term on a straight-line basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and, in the case of finished goods, comprises direct materials, inward freight costs and customs duties. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present or legal constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. A liability is recognised for annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Short-term trade receivables and payables

Trade receivables and payables with no stated interest rate and receivables or payables within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Summary of significant accounting policies (continued)

Revenue Recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from the sale of consumer products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to be that which the company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume Rebates and Promotional Support

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Promotional or pricing support may be provided to certain customers on some product campaigns with prior agreement. The rebate is calculated with reference to net revenue for the given period multiplied by the agreed rate specified in the contract using the expected value method. Promotional support is calculated based on terms agreed with the customer using the expected value method.

Rebates and promotional costs are offset against amounts payable by the customer. The prior year accounts have been restated to reflect the offsetting (see notes 14 and 15).

Provisions

Provisions are recognised when the company has a present obligation (legal and constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Provisions for product warranties granted by the company on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Summary of significant accounting policies (continued)

Intangible assets

Purchased intangible assets are capitalised at cost.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Brand/Licence	20% per annum on a straight-line basis
Other Intangible	33.33% per annum on a straight-line basis

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: based on the valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;
- Level 3: based on the valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Summary of significant accounting policies (continued)

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specified asset and whether the arrangement conveys a right to use the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for exemptions taken for leases of low value assets (determined as less than £4,000) and leases with a term of 12 months or less ("Short-term leases").

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Operating lease payments net of any incentives received from the lessor, are recognised as an expense in the Income Statement on a straight-line basis over the lease terms.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Taxation

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessment periods different from those in which they are recognised in the financial statement except that:

- where there are differences between amounts that can be deducted for tax compared with the amounts that are recognised in the financial statements a deferred liability/ (asset) shall be recognised.
- deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against future taxable profits.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Share-based Payments

Employees (including directors of the company) of the JSL group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer, further details of which are given in note 5 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market condition or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is provided that all other performance or service conditions are satisfied.

Capital Contribution Reserve

IFRS 2 *Share-based payments* states that where a parent grants rights to its equity instruments to employees of its subsidiary, and the arrangement is accounted for as equity-settled in the consolidated financial statements, the subsidiary should in its own separate financial statements measure the services received from its employees in accordance with the requirements of IFRS 2 applicable to equity-settled share-based payment transactions. There will be a corresponding increase recognised in equity as a capital contribution from the parent.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Accounting Judgements and estimates

The preparation of the company's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities in the future.

Judgements

In the process of applying the company's accounting policies, the directors have made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Revenue recognition

The company applied judgements in determining the amount and timing of revenue arising from the sales of products. The company concluded that revenue is recognised at the point in time when the control over the products is transferred to the customers, that is when the customers obtain the physical possession or the legal title of the products and the company has the present right of payment and the collection of the consideration is probable.

(b) Deferred taxes

Deferred tax assets and liabilities require judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

(c) Estimate of the useful economic lives of property, plant and equipment and intangible assets

The charge in respect of amortisation and depreciation is derived after determining an estimate of an asset's useful economic life and determined by the company at the time the asset is acquired. This is reviewed annually for reasonableness. The lives are based on historical experience as well as anticipated future events which may impact their life as changes in technology.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Provisions

The company has recognised provisions for the impairment of trade receivables, inventories, warranties, dilapidations and onerous contracts which require judgement. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other factors.

(b) Current taxes

The actual tax paid is determined according to complex tax laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used to determine the liability for the tax to be paid on past profits recognised in the financial statements. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements.

Notes to the financial statements

For the year ended 31 December 2022

2. Revenue from contracts with customers

An analysis of revenue by geographical market is given below:

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
United Kingdom	435,261	385,424
Rest of Europe	72,079	55,500
Rest of World	206	56
	<u>507,546</u>	<u>440,980</u>

3. Operating (loss)/profit

This is stated after charging/(crediting):

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
Depreciation of property, plant and equipment	1,472	1,212
Amortisation of intangible assets	22,126	26,032
(Profit)/Loss on disposal of assets	-	(5)
Foreign currency losses	(5)	5,314

4. Auditors' remuneration

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
Audit services		
Audit of the company's annual financial statements	91	81
	<u>91</u>	<u>81</u>
Other services		
Other non-audit services	62	7
Taxation compliance	32	15
	<u>94</u>	<u>22</u>

Notes to the financial statements

For the year ended 31 December 2022

5. Directors' remuneration

During the year the remuneration of directors was £465,387 (year ended 31 December 2021: £1m), including company pension contributions to defined pension schemes of £8,627. (year ended 31 December 2021: £nil).

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
In respect of the highest paid director:		
Salary	456	1,004
Share-based payment expense	-	34
Pension	9	-
	<u>465</u>	<u>1,038</u>

Two directors of the company (year ended 31 December 2021: two) were also directors of various fellow SharkNinja group companies during the year ended 31 December 2021. Their remuneration is paid by those fellow SharkNinja group companies. The directors do not believe that it is practicable to apportion this amount between services as directors of the company and their services as directors of the fellow group undertakings.

Notes to the financial statements

For the year ended 31 December 2022

6. Employee benefits

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
Wages and salaries	14,974	11,216
Social security costs	1,524	1,324
Other pension costs	587	487
Share-based payment expense	18	34
	<u>17,103</u>	<u>13,061</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<i>No.</i>	<i>No.</i>
Sales and administration	<u>238</u>	<u>207</u>
Share-based payment expense		

One of the company's intermediate parent companies, JS Global Lifestyle Company Limited ('JSL group'), a company incorporated in the Cayman Islands, is listed on the Hong Kong exchange. On 9 October 2019, the JSL group adopted an approved Restricted Stock Unit Plan ("RSUs", "The Plan").

The 2022 tranche of JS RSU Scheme was granted with no consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2022 to 2023. 70% of the RSUs are Performance RSUs, which vest in 2022 and 2023 based on performance target.

IFRS 2 *Share-based payments* states that where a parent grants rights to its equity instruments to employees of its subsidiary, and the arrangement is accounted for as equity-settled in the consolidated financial statements, the subsidiary should in its own separate financial statements measure the services received from its employees in accordance with the requirements of IFRS 2 applicable to equity-settled share-based payment transactions. There will be a corresponding increase recognised in equity as a capital contribution from the parent.

Notes to the financial statements

For the year ended 31 December 2022

6. Employee benefits (continued)

The following RSUs were outstanding under the RSU Scheme:

	<i>Year ended 31 December 2022</i>		<i>Year ended 31 December 2021</i>	
	<i>Fair value per share</i>	<i>Number of RSUs</i>	<i>Fair value per share</i>	<i>Number of RSUs</i>
	<i>US\$</i>	<i>No.</i>	<i>US\$</i>	<i>No.</i>
As at beginning of the year	0.83	283,237	0.63	424,855
Granted on 3 March 2022	0.95	210,000	-	-
Forfeited during the year	0.94	(49,000)	-	-
Exercised during the year	0.81	(63,000)	0.80	(141,618)
At the end of the year	0.80	381,237	0.83	283,237

7. Net finance expense

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
	<i>£000s</i>	<i>£000s</i>
Bank interest (receivable)/payable	(88)	-
Interest on leases	41	52
Interest payable on loans from group companies	2,621	259
Net finance expense	<u>2,574</u>	<u>311</u>

Notes to the financial statements

For the year ended 31 December 2022

8. Taxation

(a) Tax on profit/(loss) on ordinary activities

The tax on profit/(loss) is made up as follows:

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
Current tax:		
UK corporation tax at 19% (31 December 2021: 19%)	-	2,060
Adjustment for under provision in prior periods	487	1
Total current tax	<u>487</u>	<u>2,061</u>
Deferred tax:		
Losses incurred in the year	(4,112)	-
Origination and reversal of timing differences	-	53
Adjustments in respect of prior year	-	324
Other short-term timing differences	-	-
Effect of changes in tax rates	(101)	(102)
Total deferred tax (note 8(d))	<u>(4,213)</u>	<u>275</u>
Tax on profit/(loss) on ordinary activities (note 8(b))	<u>(3,726)</u>	<u>2,336</u>

Notes to the financial statements

For the year ended 31 December 2022

8. Taxation (continued)

(b) Factors affecting the total tax (credit)/charge

The tax assessed for the period is lower (31 December 2021: lower) than the standard rate of corporation tax in the UK of 19% (31 December 2021: 19%). The differences are explained below:

	<i>Year ended 31 December 2022 £000s</i>	<i>Year ended 31 December 2021 £000s</i>
Profit/(loss) on ordinary activities before tax	(19,739)	13,643
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2021: 19 %).	(3,750)	2,592
<i>Effects of:</i>		
Expenses not deductible for tax purposes	425	(478)
Adjustments to tax charge in respect of prior periods	487	324
Tax rate changes	(888)	(102)
Total tax charge/(credit)	(3,726)	2,336

(c) Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the financial statements

For the year ended 31 December 2022

8. Taxation (continued)

(d) Net deferred tax asset

	<i>31 December 2022</i>	<i>31 December 2021</i>
	<i>£000s</i>	<i>£000s</i>
Deferred tax asset	5,004	721
Deferred tax liability	(365)	(295)
	<u>4,639</u>	<u>426</u>
		<i>£000s</i>
At 31 December 2021		426
Charged to the profit and loss account		<u>4,213</u>
At 31 December 2022		<u>4,639</u>

The net deferred tax asset included in the balance sheet is made up as follows:

	<i>31 December 2022</i>	<i>31 December 2021</i>
	<i>£000s</i>	<i>£000s</i>
Accelerated capital allowances	(365)	(295)
Short-term timing differences - trading	62	50
Losses	4,942	671
	<u>4,639</u>	<u>426</u>

Notes to the financial statements

For the year ended 31 December 2022

9. Intangible fixed assets

Company	Brand/Licence £000s	Software/ development costs £000s	WIP £000s	Total £000s
Cost or valuation:				
At 31 December 2021	111,405	484	1,059	112,948
Additions	-	343	311	654
Transfers	-	1,059	(1,059)	-
At 31 December 2022	111,405	1,886	311	113,602
Accumulated amortisation:				
At 31 December 2021	68,283	484	-	68,767
Charge for the year	21,561	565	-	22,126
Adjustment to contingent consideration	-	-	-	-
Impairment	-	-	-	-
At 31 December 2022	89,844	1,049	-	90,893
Net book value:				
At 31 December 2022	21,561	837	311	22,709
At 31 December 2021	43,122	-	1,059	44,181

Intellectual Property acquisitions

On 1 January 2019, the company purchased the intellectual property rights associated with the use of the SharkNinja technology and the SharkNinja brand outside the United States of America from another company within the SharkNinja group. The consideration paid will be contingent on SharkNinja's group results in certain regions outside of the United States of America over an agreed period ending on 31 December 2021. The consideration paid is calculated with reference to 3 years of revenue in those regions. The original estimation of consideration payable and capitalised was based on actual revenue for the year ended 31 December 2019, and two years of estimated revenue for the next year discounted at the company's incremental borrowing rate of 2.8% and the agreed contracted rates (6.38% and 3.08%). During both 2020 and 2021, the cost and amortisation was updated to reflect the movement in the assessment of the contingent consideration payable. At 31 December 2022 the cost represents the actual consideration payable based on SharkNinja's group results in certain regions outside of the United States of America over the agreed period ending on 31 December 2022.

Notes to the financial statements

For the year ended 31 December 2022

10. Acquisitions

Acquisitions in the year

On 11 November 2022, SharkNinja Vietnam Company Limited was incorporated in Vietnam. SharkNinja Vietnam Company Limited has a share capital of 1,165,000,000 VND and has been wholly owned by SharkNinja Europe Ltd since incorporation.

On 20 May 2022, SharkNinja Iberia SL was incorporated in Spain. SharkNinja Iberia SL has a share capital of 3 EUR and has been wholly owned by SharkNinja Europe Ltd since incorporation.

On 12 August 2022, SharkNinja EPE Ltd was acquired. SharkNinja EPE Ltd has share capital of £1 and has been wholly owned by SharkNinja Europe since acquisition. SharkNinja EPE Ltd has been in liquidation since 14 October 2022.

11. Investments

Cost or valuation:	<i>£000s</i>
At 1 January 2022	583
Additions in the year	428
At 31 December 2022	<u>1,011</u>
 Amounts provided:	 <i>£000s</i>
At 1 January 2022	-
Impairment	-
At 31 December 2022	<u>-</u>
 Carrying amount:	
At 31 December 2022	<u>1,011</u>
At 31 December 2021	<u>583</u>

On 11 November 2022, SharkNinja Vietnam Company Limited was incorporated in Vietnam. SharkNinja Vietnam Company Limited has a share capital of 1,165,000,000 VND and has been wholly owned by SharkNinja Europe Ltd since incorporation.

At 31 December 2022, the company's investments are as follows (*indicates direct investment of the company rather than via a subsidiary):

All shares held are ordinary shares unless otherwise stated.

Notes to the financial statements

For the year ended 31 December 2022

11. Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation	Shareholding
SharkNinja Co., Limited*	Sale of small kitchen and floor care appliances	Japan	100%
SharkNinja Germany GmbH*	Sale of small kitchen and floor care appliances	Germany	100%
SharkNinja Canada Co.*	Sale of small kitchen and floor care appliances	Canada	100%
SharkNinja France SAS*	Sale of small kitchen and floor care appliances	France	100%
SharkNinja Australia PTY Ltd*	Sale of small kitchen and floor care appliances	Australia	100%
SharkNinja Italy S.R.L.*	Sale of small kitchen and floor care appliances	Italy	100%
SharkNinja Vietnam Company Limited *	Sale of small kitchen and floor care appliances	Vietnam	100%
SharkNinja Iberia SL*	Sale of small kitchen and floor care appliances	Spain	100%
SharkNinja EPE Ltd.* (In liquidation)	Sale of small kitchen and floor care appliances	UK	100%

The registered address of SharkNinja Co., Limited is 3-3-13, Shimbashi, Tsao Hibiya 11F. Minato-Ku, Tokyo, 105-0004.

The registered address of SharkNinja Germany GmbH is Rotfeder Ring 9, 60327, Frankfurt am Main Germany.

The registered address of SharkNinja Canada Co. is P.O.Box 997, Halifax, NS Canada, B3J 2X2.

The registered address of SharkNinja France SAS is C/o Emergence 121 Rue d'Aguesseau 92100 Boulogne-Billancourt

The registered address of SharkNinja Australia PTY Ltd is Building D, 33 Quarry Road, Erskine Park, NSW 2759.

The registered address of SharkNinja Italy is S.R.L Milano Via Tortona, 33 CAP 20144.

The registered address of SharkNinja Vietnam Company Limited is Level 14, Room 1435, Saigon Centre Tower 1, 65 Le Loi Street, Nem Mgje Ward, District 1, Ho Chi Minh City, Vietnam

The registered address of SharkNinja Iberia SL is Calle Principe De Vergara, 132 - PLT 9

The registered address of SharkNinja EPE Ltd. is No 1 Colmore Square Birmingham B4 6HQ

Notes to the financial statements

For the year ended 31 December 2022

12. Property, plant and equipment

Company	Office Equipment £000s	Furniture and fixtures £000s	Motor Vehicles £000s	WIP £000s	ROU asset £000s	Total £
Cost:						
At 31 December 2021	599	1,713	60	29	3,183	5,584
Additions	15	19	-	3	-	37
Transfers in	29	-	-	-	-	29
Transfers out	-	-	-	(29)	-	(29)
Disposals	-	-	-	-	-	-
At 31 December 2022	643	1,732	60	3	3,183	5,621
Accumulated Depreciation:						
At 31 December 2021	238	803	48	-	1,224	2,313
Charge for the year	172	497	10	-	793	1,472
Depreciation on disposals	-	-	-	-	-	-
At 31 December 2022	410	1,300	58	-	2,017	3,785
Net book value:						
At 31 December 2022	233	432	2	3	1,166	1,836
At 31 December 2021	361	910	12	29	1,959	3,271

13. Inventories

	31 December 2022 £000s	31 December 2021 £000s
Finished goods and goods for resale	90,282	131,666
	<u>90,282</u>	<u>131,666</u>

There are no material differences between the replacement cost of stocks and the value in the financial statements. The stock provision recognised by the company at 31 December 2022 is £3,741,646 (year ended 31 December 2021: £1,171,299).

Notes to the financial statements

For the year ended 31 December 2022

14. Trade and other receivables

	<i>31 December</i> <i>2022</i> <i>£000s</i>	<i>As Restated</i> <i>31 December</i> <i>2021</i> <i>£000s</i>
Trade receivables	120,629	99,651
Other receivables	297	481
Prepayments	1,809	1,849
Amounts owed by subsidiary undertakings	17,237	33,762
Amounts owed by fellow group undertakings	87,421	30,963
Corporation tax recoverable	1,719	240
	<u>229,112</u>	<u>166,946</u>

Trade receivables are stated after provisions for impairment of £273,054 (2021: £887,864)

Prior year trade receivables have been restated to reflect the offset of £81,475,000 of rebates and promotional credits previously disclosed in accruals and prepayments.

15. Trade and other payables

	<i>31 December</i> <i>2022</i> <i>£000s</i>	<i>As Restated</i> <i>31 December</i> <i>2021</i> <i>£000s</i>
Trade payables	5,552	3,549
Amounts owed to fellow group undertakings - trade	119,778	121,075
Amounts owed to fellow group undertakings – non-trade	496	444
Amounts owed to subsidiary undertakings - non trade	547	-
Other taxation and social security costs	34,157	22,828
Other payables	1,825	2,771
Accruals and deferred income	19,105	15,607
Government grants	34	56
	<u>181,494</u>	<u>166,330</u>

Prior year accruals and deferred income has been restated and reduced by £81,475,000 which is now netted against trade debtors.

Notes to the financial statements

For the year ended 31 December 2022

16. Loans and borrowings

	<i>31 December 2022 £000s</i>	<i>31 December 2021 £000s</i>
Current		
Amounts owed to fellow group undertakings	155,523	128,954
Lease liabilities (Note 18)	807	745
	<u>156,330</u>	<u>129,699</u>

	<i>31 December 2022 £000s</i>	<i>31 December 2021 £000s</i>
Non-current		
Lease liabilities (Note 18)	206	1,013
	<u>206</u>	<u>1,013</u>

Notes to the financial statements

For the year ended 31 December 2022

17. Provisions

	<i>31 December 2022</i>	<i>31 December 2021</i>
	<i>£000s</i>	<i>£000s</i>
Current		
Warranty provision	10,371	6,794
	<u>10,371</u>	<u>6,794</u>
Non-current		
	<i>31 December 2022</i>	<i>31 December 2021</i>
	<i>£000s</i>	<i>£000s</i>
Dilapidations provision	340	340
	<u>340</u>	<u>340</u>

The movement in provisions during the year is as follows:

	<i>Dilapidations provision £000s</i>	<i>Warranty provision £000s</i>	<i>Total £000s</i>
At 31 December 2021	340	6,724	7,064
Charged to the Income Statement	-	12,246	12,246
Utilised in the year	-	(8,599)	(8,599)
At 31 December 2022	<u>340</u>	<u>10,371</u>	<u>10,711</u>

The company provides standard warranties of one to five years to its customers on certain of its products. It is expected that most of these costs will be incurred in the next financial year.

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease, which has been estimated with reference to valuations from property valuers.

Notes to the financial statements

For the year ended 31 December 2022

18. Lease liabilities

The movements of lease liabilities during the year are as follows:

	<i>31 December 2022 £000s</i>	<i>31 December 2021 £000s</i>
Lease liabilities:		
At the beginning of the year	2,761	1,703
Additions during the year	-	1,058
	<u>2,761</u>	<u>2,761</u>
Accumulated payment:		
At the beginning of the year	(1,004)	(429)
Interest expense during the year (Note 7)	41	52
Payments during the year	<u>(786)</u>	<u>(626)</u>
	<u>(1,749)</u>	<u>(1,004)</u>
Net carrying amount:		
At the beginning of the year	<u>1,757</u>	<u>1,274</u>
At the end of the year	<u>1,012</u>	<u>1,758</u>
At 31 December, lease liabilities are analysed as follows:		
	<i>31 December 2022 £000s</i>	<i>31 December 2021 £000s</i>
Not later than one year	807	745
Later than one year and not later than five years	205	1,013
	<u>1,012</u>	<u>1,758</u>

Notes to the financial statements

For the year ended 31 December 2022

19. Issued share capital

	31 December 2022		31 December 2021	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	103	<u>103</u>	102	102

All shares rank pari passu in all respects.

On 12 August 2022 the company issued share capital. One ordinary share was issued for consideration of £1.

20. Reserves

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Capital contribution reserve

Cumulative capital contributions received from the parent company in respect of the share-based payments relating to Directors employed by SharkNinja Europe Limited.

21. Related party transactions

The company has taken advantage of FRS 101 *Reduced Disclosure Framework* which exempts disclosure of related party transactions made to wholly owned members of the SharkNinja group. There are no further related party transactions to disclose.

22. Post balance sheet events

On 31 July 2023 SharkNinja Europe Ltd was part of a group of companies that spun from its common parent company, JS Global Lifestyle Company Limited to a newly formed company SharkNinja Inc. As part of this transaction the Ultimate Parent Company of SharkNinja Europe Ltd became SharkNinja Inc. SharkNinja Inc is a company listed on the New York Stock Exchange. There were no other changes to the ownership of SharkNinja Europe Ltd, and the company remains wholly owned by its Immediate Parent SharkNinja Global SPV 2 Limited.

Additionally, as a part of this spin off, on 31 July 2023 SharkNinja Europe disposed a subsidiary investment, SharkNinja Co., Limited.

23. Ultimate parent undertaking and controlling party

The ultimate holding company of the company is JS Holding Limited Partnership ("JS Holding"), which is incorporated in the Cayman Islands. At 31 December 2022, the company's immediate parent undertaking is SharkNinja Global SPV 2 Limited. One of the company's intermediate parent companies, JS Global Lifestyle Company Limited, a company incorporated in the Cayman Islands, is listed on the Hong Kong exchange. JS Global Lifestyle Company Limited prepares publicly available consolidated financial statements that include the results of the company. These financial statements are available at the registered office of JS Global Lifestyle Company Limited which is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.