

Company Registration No. 08766026 (England and Wales)

THOMSON & SCOTT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2019

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THOMSON & SCOTT LIMITED

CONTENTS

	Page
Company information	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 11

THOMSON & SCOTT LIMITED

COMPANY INFORMATION

Directors	Mr I. Thomson	
	Mrs A. Hussain Thomson	
	Ms E. D. C. Berrera Mercado	(Appointed 11 February 2019)
	Mr S. Lallah	(Appointed 1 June 2019)
Company number	08766026	
Registered office	23 Exmouth Market London EC1R 4QL	
Auditor	TC Group Abbey House Hickleys Court South Street Farnham Surrey GU9 7QQ	

THOMSON & SCOTT LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	3		79,070		106,421
Tangible assets	4		3,007		3,040
Current assets					
Stocks		64,377		171,650	
Debtors	5	117,400		223,502	
Cash at bank and in hand		48,858		1,678	
		<u>230,635</u>		<u>396,830</u>	
Creditors: amounts falling due within one year	6	<u>(155,402)</u>		<u>(556,748)</u>	
Net current assets/(liabilities)			75,233		(159,918)
Total assets less current liabilities			<u>157,310</u>		<u>(50,457)</u>
Creditors: amounts falling due after more than one year	7		(92,141)		(143,597)
Net assets/(liabilities)			<u>65,169</u>		<u>(194,054)</u>
Capital and reserves					
Called up share capital	8	46,380		39,515	
Share premium account		2,018,952		918,488	
Profit and loss reserves		(2,000,163)		(1,152,057)	
Total equity			<u>65,169</u>		<u>(194,054)</u>

THOMSON & SCOTT LIMITED

BALANCE SHEET (CONTINUED)


AS AT 30 SEPTEMBER 2019

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

29 September 2020

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

.....


Mrs A. Husain Thomson
Director

Company Registration No. 08766026

The notes on pages 4 to 11 form part of these financial statements

THOMSON & SCOTT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Thomson & Scott Limited (08766026) is a private company limited by shares incorporated in England and Wales. The registered office is 23 Exmouth Market, London, United Kingdom, EC1R 4QL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As set out in the statement of directors' responsibilities statement on page 2, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that Thomson & Scott Limited will continue in business. In satisfaction of this responsibility, the directors have reviewed the cash flow forecasts and considered the impact of the COVID-19 pandemic on the company's ability to continue as a going concern.

During the year, Thomson & Scott Limited raised additional equity funding of over £1m. This funding, in addition to its existing bank overdraft facilities, has enabled the Thomson & Scott Limited to continue to finance its working capital requirements and to meet its bank loan repayments, as well as to invest in the development of a new product range which was launched in June 2019.

As mentioned in note 10, the duration of the measures announced to tackle the COVID-19 pandemic is uncertain and these measures and any future policy announcements by the UK Government are outside the control of the company's management and will continue to have an impact on the future turnover of the company.

The directors have prepared forecasts for the period to September 2022 which indicate that, due to the investment which has been required into the new product range and the impact of COVID-19 on the business, the company will make losses in the 2019/2020 and 2020/2021 financial years, but show a significant improvement in results in 2021/22 financial year. By their very nature, turnover and profitability are dependent on a number of factors both in and out of the company's control, but the principal factor is the growth in the demand for the company's products. The directors continue to monitor and control costs accordingly. Existing shareholders have also indicated to the directors that they would be prepared to provide additional financial support if required.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Based on these forecasts and continued, careful management of costs, the directors believe that the positive cash balances held at the date of signing these financial statements together with forecast cash inflows should enable the company to meet its debts as they fall due for a period of 12 months following the date on which these financial statements are signed. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Turnover is measured at the fair value of the consideration received, excluding discounts, VAT and other sales taxes or duty.

1.4 Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation. They are amortised over their estimated useful life of five years using the straight line method.

If there is an indication that there has been a significant change in the economic, useful life or residual value of the other intangible assets, the amortisation is revised to reflect the new expectations.

1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	3 years straight line
Computer equipment	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the directors review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition and is recognised at purchase cost on a first-in, first-out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to complete the sale. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its net realisable value is recognised as an impairment loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

THOMSON & SCOTT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.11 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2018 - 7).

THOMSON & SCOTT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

3 Intangible fixed assets

**Trademarks
£**

Cost

At 1 October 2018 182,647

Additions 10,663

At 30 September 2019 193,310

Amortisation and impairment

At 1 October 2018 76,226

Amortisation charged for the year 38,014

At 30 September 2019 114,240

Carrying amount

At 30 September 2019 79,070

At 30 September 2018 106,421

4 Tangible fixed assets

**Computer equipment
£**

Cost

At 1 October 2018 4,237

Additions 1,087

At 30 September 2019 5,324

Depreciation and impairment

At 1 October 2018 1,197

Depreciation charged in the year 1,120

At 30 September 2019 2,317

Carrying amount

At 30 September 2019 3,007

At 30 September 2018 2,191

THOMSON & SCOTT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	83,605	188,120
Unpaid share capital	4,939	4,939
Other debtors	17,052	16,734
Prepayments and accrued income	11,804	13,709
	<u>117,400</u>	<u>223,502</u>
6 Creditors: amounts falling due within one year	2019	2018
	£	£
Bank loans and overdrafts	53,475	225,455
Trade creditors	67,940	178,496
Corporation tax	-	51
Other taxation and social security	19,064	13,723
Other creditors	6,973	109,086
Accruals and deferred income	7,950	29,937
	<u>155,402</u>	<u>556,748</u>
7 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Bank loans and overdrafts	<u>92,141</u>	<u>143,597</u>

The bank loans and overdrafts are secured via a debenture over all assets of the company.

Mrs A. Hussain Thomson has provided a personal guarantee of £150,000 in respect of the company's bank loans and overdrafts.

THOMSON & SCOTT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

8	Called up share capital	2019	2018
		£	£
	Ordinary share capital		
	Issued and not fully paid		
	4,587,063 (2018 - 3,951,474) Ordinary A shares of 1p each	45,870	39,515
	51,015 (2018 - Nil) Ordinary B shares of 1p each	510	-
		<u>46,380</u>	<u>39,515</u>

During the year, the company issued 635,589 Ordinary A shares at a par value of £0.01 for a consideration of £1,025,057. During the year, the company also issued 51,015 Ordinary B shares at a par value of £0.01 for a consideration of £82,272.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
Within one year	-	22,200
Between two and five years	-	12,950
	<u>-</u>	<u>35,150</u>

THOMSON & SCOTT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

10 Events after the reporting date

POST BALANCE SHEET EVENTS

The following events have occurred after 30 September 2019. Under FRS 102 these events are not considered to be an adjusting subsequent event in the context of these financial statements, but are significant enough to warrant specific disclosure as they may impact future periods.

Subsequent events - COVID-19

At the date of the approval of these financial statements the UK Government had announced a range of measures to address the COVID-19 pandemic that is having a significant impact on the social and financial economies of the world.

The duration of the measures announced to tackle the COVID-19 pandemic is uncertain and these measures and any future policy announcements by the UK Government are outside the control of the company's managements and will continue to have an impact on the future turnover of the company.

At the time of approving the financial statements, Thomson & Scott Limited has a reasonable expectation of turnover for the next 24 months. It has projected sales to cover its costs and is confident that its suppliers have mitigated against the risk of any significant disruption to its forecast requirements. The company has strategies in place to adapt to any changes in demand that may materialise through the adoption of flexible working practices and continues to monitor its required resources accordingly.

11 Related party transactions

During the year, the company entered into transactions with entities under common directorship. During the year the company sold goods totalling £127,634 (2018 - £118,384). At the year end, the company was owed £17,444 (2018 - £9,058) from the entities under common directorship. The company also purchased goods totalling £Nil (2018 - £Nil).

During the year, the company entered into transactions with an entity under common directorship. During the year, the company purchased goods totalling £37,292 (2018 - £44,544). At the year end, the amount owed to the entity was £Nil (2018 - £2,552). The company also made sales totalling £Nil (2018 - £3,500).

12 Directors' transactions

During the year, the directors maintained loan accounts with the company. At the year end, the directors owed the company £17,052 (2018 - £16,734).

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Andrew Wilson ACA FCCA.

The auditor was TC Group