

REGISTERED NUMBER: 02308025 (England and Wales)

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**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 March 2022**
for
Leica Camera Limited

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Leica Camera Limited (Registered number: 02308025)

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for the Year Ended 31 March 2022**

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Leica Camera Limited
Company Information
for the Year Ended 31 March 2022

DIRECTORS:

K E Doyran
M K J Harsch
J Heward

SECRETARY:

T Devyaterikova

REGISTERED OFFICE:

6-8 James Street
London
W1U 1ED

REGISTERED NUMBER:

02308025 (England and Wales)

INDEPENDENT AUDITORS:

Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Leica Camera Limited (Registered number: 02308025)

Strategic Report
for the Year Ended 31 March 2022

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

PRINCIPAL ACTIVITY

The company's principal activity remains the sale of cameras, camera lenses, nature observation equipment (binoculars and telescopes) and deer stalking optics (rangefinders and rifle scopes). The company acts as the United Kingdom and Ireland distributor for Leica Camera AG of Germany, manufactures and the aforementioned products.

BUSINESS REVIEW

The company's key financial and other performance indicators during the year were as follows:

	31.03.2022	31.03.2021
Turnover	£17,487,618	£12,587,567
Gross profit	£5,233,335	£3,584,327
Profit/(loss) after tax	£551,689	£296,392
Average number of employees	32	33

Overall turnover increased by 38.93 % to £17,487,618 from £12,587,567 as stores were open for most of the year and business recovered from being in lockdown (decrease of 22.77% as at 31.03.2021).

The net assets is £3,004,219 for the year ended 31.03.2022 (£3,952,530 for the year ended 31.03.2021).

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive risks

The company operates in a competitive market but the directors feel there is continued minimal risk to the business. The application of the Leica AG Business Systems approach ensures that the company is able to respond quickly to changes in levels of activity or competitive pressures and in this, the company has significant advantages over competitors.

Financial risks

The business is in a strong financial position and is able to meet debts as they become due. The current economic difficulties continue to be challenging but the directors are confident that, as a result of the strong balance sheet and actions taken, the business can withstand these pressures. Whilst the business is involved in few geographical areas, there are processes in place to ensure that the company is not exposed to undue currency risks.

Exposure to credit, liquidity and cash flow risks

The company has credit insurance for eliminating the exposure risks.

The company's credit risk is primarily attributed to its trade debtors. Credit risk is managed by running credit checks on new customers and by the regular monitoring of accounts against agreed credit terms and limits. The trade debtor spread continues to be healthy, ensuring reduced risk of a too dominant trade debtor failure.

Liquidity risk is minimised as the company is a wholly owned subsidiary and funding is guaranteed by Group support. Also the company monitors cash flow as part of its day to day control procedures. The management team considers cash flow projections on a monthly basis and prepare rolling yearly forecasts on a quarterly basis to ensure that appropriate facilities are available to be drawn upon as necessary.

ON BEHALF OF THE BOARD:


.....
J Heward - Director

Date: 21 July 2022

Leica Camera Limited (Registered number: 02308025)

**Directors' Report
for the Year Ended 31 March 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

Certain information required to be disclosed in the director's report is considered to be of strategic importance to the company and therefore disclosure is given in the strategic report. The specific items disclosed in the strategic report are:

- Principal activities and business review
- Key Performance Indicators
- Principal risks and uncertainties

DIVIDENDS

A dividend of £1,500,000 was paid during the year. (31.03.2021: £nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

K E Doyran
M K J Harsch
J Heward

EMPLOYEES WITH DISABILITIES

We welcome applications for employment by all persons, and these are considered on merit and potential. We are a supportive, and progressive company, and most roles can be adapted to allow employees to perform at their best. In the event of someone developing a disability or health problem, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that all employees are treated equally and with respect.

EMPLOYEE INVOLVEMENT

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company.

CREDITOR PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to competitive, credit, liquidity and cash flow risks are described in the Business Review and Risks and Uncertainties on page 2.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the operations of the company and the commitment of financial support received from parent entity. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTOR INDEMNITIES

The Company does not have qualifying indemnity provisions to the benefit of its directors which were made during the year and remain in force at the date of this report.

**Directors' Report
for the Year Ended 31 March 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

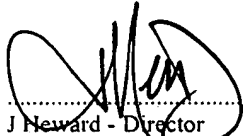
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

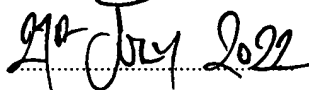
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Constantin, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
J Neward - Director

Date: 
.....

Independent Auditors' Report to the Members of Leica Camera Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Leica Camera Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 24 which include the statement of accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Independent Auditors' Report to the Members of Leica Camera Limited

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

**Independent Auditors' Report to the Members of
Leica Camera Limited**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Thierry de Gennes, ACA (Senior Statutory Auditor)
for and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ



Date: 21 July 2022

Leica Camera Limited (Registered number: 02308025)

**Statement of Comprehensive
Income
for the Year Ended 31 March 2022**

		2022	2021
	Notes	£	£
TURNOVER	3	17,487,618	12,587,567
Cost of sales		<u>(12,254,283)</u>	<u>(9,003,240)</u>
GROSS PROFIT		5,233,335	3,584,327
Administrative expenses		<u>(4,465,782)</u>	<u>(3,358,252)</u>
		767,553	226,075
Other income	4	<u>13,042</u>	<u>206,806</u>
OPERATING PROFIT		780,595	432,881
Interest payable and similar expenses	6	<u>(62,073)</u>	<u>(85,973)</u>
PROFIT BEFORE TAXATION	7	718,522	346,908
Tax on profit	8	<u>(166,833)</u>	<u>(50,516)</u>
PROFIT FOR THE FINANCIAL YEAR		551,689	296,392
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>551,689</u>	<u>296,392</u>

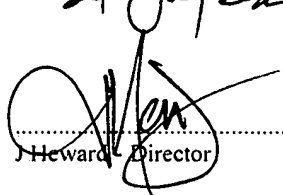
The notes form part of these financial statements

Leica Camera Limited (Registered number: 02308025)

Statement of Financial Position
31 March 2022

		2022	2021 as restated
	Notes	£	£
FIXED ASSETS			
Owned			
Intangible assets	11	641,480	793,330
Tangible assets	12	249,318	294,572
Right-of-use			
Intangible assets	11, 19	<u>2,396,474</u>	<u>3,097,427</u>
		<u>3,287,272</u>	<u>4,185,329</u>
CURRENT ASSETS			
Stocks	13	1,827,025	2,545,030
Debtors	14	1,278,415	1,448,688
Cash in hand	15	<u>3,250,272</u>	<u>1,155,867</u>
		6,355,712	5,149,585
CREDITORS			
Amounts falling due within one year	16	<u>(4,708,891)</u>	<u>(2,735,621)</u>
NET CURRENT ASSETS		<u>1,646,821</u>	<u>2,413,964</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,934,093	6,599,293
CREDITORS			
Amounts falling due after more than one year	17	(1,841,944)	(2,573,001)
PROVISIONS FOR LIABILITIES	20	<u>(87,930)</u>	<u>(73,762)</u>
NET ASSETS		<u>3,004,219</u>	<u>3,952,530</u>
CAPITAL AND RESERVES			
Called up share capital	21	2	2
Share premium	22	808,881	808,881
Retained earnings	22	<u>2,195,336</u>	<u>3,143,647</u>
SHAREHOLDERS' FUNDS		<u>3,004,219</u>	<u>3,952,530</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21st July 2022 and were signed on its behalf by:


J. Howard, Director

The notes form part of these financial statements

Leica Camera Limited (Registered number: 02308025)

**Statement of Changes in Equity
for the Year Ended 31 March 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2020	2	2,847,255	808,881	3,656,138
Changes in equity				
Total comprehensive income	-	296,392	-	296,392
Balance at 31 March 2021	<u>2</u>	<u>3,143,647</u>	<u>808,881</u>	<u>3,952,530</u>
Changes in equity				
Dividends	-	(1,500,000)	-	(1,500,000)
Total comprehensive income	-	551,689	-	551,689
Balance at 31 March 2022	<u>2</u>	<u>2,195,336</u>	<u>808,881</u>	<u>3,004,219</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2022**

1. STATUTORY INFORMATION

Leica Camera Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

The directors have considered the future prospects and forecasts for the business as well as the current economic environment and the commitment of support provided by the parent entity. They consider there is a reasonable expectation the company has adequate resources to continue operating for the foreseeable future. Thus they continue to adopt the going concern basis of preparation.

Disclosure exemptions taken

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Judgements and key source of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the directors, there are no key judgements or sources of estimation uncertainty which could materially impact the financial statements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold land and buildings	- over the term of the lease
Fixtures and fittings	- 3 to 15 years
Office equipment	- 3 to 5 years

Financial instruments

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. The forward currency exchange contracts are measured at fair value at each reporting date. The movement in fair value is recognised in the profit and loss for the period.

Stocks

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Taxation

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Employee benefit costs

The employee benefits are recognised as an expense in the profit and loss.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- specific criteria have been met for each of the company activities.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Warranties

The cost of providing for warranties is charged to the profit and loss account as incurred.

Government grants

Government grants are recognised on the accrual model. The grant monies receivable in the year relate to compensation for staff costs under the furlough scheme, already incurred and recognised as an expense in the profit and loss account.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Ifrs 16 leases

In applying IFRS 16, the company used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2019;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The types of leases captured by this standard are relating to office space and were previously classified as operating leases. We now have:

- Lease liability - present value of the remaining lease payments; and
- Right of use asset - Amount of lease liability (adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease).

There are no variable payment, extension or termination terms associated with these leases that are expected to be exercised.

For the company, the application of this standard resulted in all relevant long term leases being brought 'on balance sheet.' Future lease commitments after the balance sheet date that were previously disclosed as notes to the accounts have now been shown as 'right of use assets' with an equivalent liability, as measured above.

On the P&L, in place of ordinary operating lease costs, we now have straight line depreciation of the 'right of use' asset and an interest accrual based on the discounting of future lease payments.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	16,661,715	12,395,223
Europe	303,077	128,230
Rest of the world	<u>522,826</u>	<u>64,114</u>
	<u>17,487,618</u>	<u>12,587,567</u>

4. OTHER INCOME

	2022	2021
	£	£
Government grants	<u>13,042</u>	<u>206,806</u>

The other income of £13,042 has been received during the year ended 31.03.2022 (£206,806 for the year ended 31.03.2021) for the Coronavirus Job retention scheme (CJRS) offered by HMRC.

Leica Camera Limited (Registered number: 02308025)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,623,076	1,498,150
Social security costs	173,335	174,188
Other pension costs	<u>79,541</u>	<u>78,124</u>
	<u>1,875,952</u>	<u>1,750,462</u>

The average number of employees during the year was as follows:

	2022	2021
General and administration	3	3
Technical services	5	3
Marketing and selling	<u>24</u>	<u>27</u>
	<u>32</u>	<u>33</u>

The director's remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	161,874	143,846
Contributions paid to money purchase schemes	<u>5,775</u>	<u>6,075</u>
	<u>167,649</u>	<u>149,921</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	as restated £
Interest payable	94	6,315
Leasing	<u>61,979</u>	<u>79,658</u>
	<u>62,073</u>	<u>85,973</u>

7. PROFIT BEFORE TAXATION

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	867,629	980,916
Foreign exchange differences	3,112	1,514
Auditor's remuneration - The audit of the company's annual accounts	<u>22,000</u>	<u>21,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. TAXATION

Analysis of tax expense

	2022	2021
	£	£
Current tax:		
Tax	176,600	81,545
Adjustment in respect of prior periods	<u>(23,935)</u>	<u>-</u>
Total current tax	<u>152,665</u>	<u>81,545</u>
Deferred tax:		
Origination and reversal of timing differences	18,149	(31,029)
Adjustments in respect of prior period	<u>(3,981)</u>	<u>-</u>
Total deferred tax	<u>14,168</u>	<u>(31,029)</u>
Total tax expense in statement of comprehensive income	<u>166,833</u>	<u>50,516</u>

Factors affecting the tax expense

The tax assessed for the year is higher (2021 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before income tax	<u>718,522</u>	<u>346,908</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	136,519	65,913
Effects of:		
Fixed asset differences	26,245	31,529
Increase from effect of expenses not deductible in determining taxable profit	10,881	5,085
Adjustments to tax charge in respect of previous periods	<u>(27,916)</u>	<u>(10,708)</u>
Decrease in current tax from unrecognised temporary difference from a prior period	-	(41,303)
Deferred tax expense/(credit) relating to changes in tax rates or laws adjustments for changes in tax rates	21,104	-
Tax expense	<u>166,833</u>	<u>50,516</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. TAXATION - continued

Factors That May Affect Future Tax Charges

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023.

Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023.

As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

9. DIVIDENDS

	2022	2021
	£	£
Ordinary Shares shares of 1 each		
Final	<u>1,500,000</u>	<u>-</u>

10. PRIOR YEAR ADJUSTMENT

For the year ending 31 March 2022, the directors reviewed the company's classification of owned tangible assets, owned intangible assets and the IFRS16 Capitalised rent. As a result of the review, the net book values have been stated as follow :

- £641,480 for the owned intangible assets.
- £249,318 for the owned tangible assets.
- £2,396,474 for the IFRS16 Capitalised rent.

The reclassifications have been done for the year ending 31 March 2021 to ensure the comparability of the figures reported. The long leasehold has been removed from the Tangible fixed assets section and split into Patents and licences, Development costs and IFRS16 Capitalised rent.

INTANGIBLE FIXED ASSETS for the year ending 31 March 2021 restated :

	Long leasehold £	Patents and licences £	Development costs £	IFRS16 Capitalised rent £	Totals £
COST					
At 30 April 2021 initial	5,803,444	0	0	0	5,803,444
At 30 April 2021 restated	<u>0</u>	<u>21,500</u>	<u>1,336,553</u>	<u>4,445,391</u>	<u>5,803,444</u>
AMORTISATION					
At 30 April 2021 initial	1,912,687				1,912,687
At 30 April 2021 restated	<u>0</u>	<u>7,764</u>	<u>556,959</u>	<u>1,347,964</u>	<u>1,912,687</u>
NET BOOK VALUE					
At 30 April 2021 initial	3,890,757				3,890,757
At 30 April 2021 restated	<u>0</u>	<u>13,736</u>	<u>779,594</u>	<u>3,097,427</u>	<u>3,890,757</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. INTANGIBLE FIXED ASSETS

	Patents and licences £	Development costs £	IFRS16 - Capitalised rent £	Totals £
COST				
At 1 April 2021 – As restated	21,500	1,336,553	4,445,391	5,803,444
Disposals	-	(235,291)	(251,791)	(487,082)
At 31 March 2022	<u>21,500</u>	<u>1,101,262</u>	<u>4,193,600</u>	<u>5,316,362</u>
AMORTISATION				
At 1 April 2021 – As restated	7,764	556,959	1,347,964	1,912,687
Amortisation for year	7,167	-	449,162	456,329
Eliminated on disposal	-	(90,608)	-	(90,608)
At 31 March 2022	<u>14,931</u>	<u>466,351</u>	<u>1,797,126</u>	<u>2,278,408</u>
NET BOOK VALUE				
At 31 March 2022	<u>6,569</u>	<u>634,911</u>	<u>2,396,474</u>	<u>3,037,954</u>
At 31 March 2021 – As restated	<u>13,736</u>	<u>779,594</u>	<u>3,097,427</u>	<u>3,890,757</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2021	457,927	348,085	806,012
Disposals	(146,047)	(151,277)	(297,324)
At 31 March 2022	<u>311,880</u>	<u>196,808</u>	<u>508,688</u>
DEPRECIATION			
At 1 April 2021	242,929	268,511	511,440
Eliminated on disposal	(119,695)	(132,375)	(252,070)
At 31 March 2022	<u>123,234</u>	<u>136,136</u>	<u>259,370</u>
NET BOOK VALUE			
At 31 March 2022	<u>188,646</u>	<u>60,672</u>	<u>249,318</u>
At 31 March 2021	<u>214,998</u>	<u>79,574</u>	<u>294,572</u>

13. STOCKS

	2022	2021
	£	£
Stocks	<u>1,827,025</u>	<u>2,545,030</u>

Leica Camera Limited (Registered number: 02308025)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

14.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021		
		£	£		
	Trade debtors	1,092,099	1,283,926		
	Amounts owed by group undertakings	16,766	7,669		
	Other debtors	95,517	26,407		
	Prepayments and accrued income	<u>74,033</u>	<u>130,686</u>		
		<u>1,278,415</u>	<u>1,448,688</u>		
15.	CASH IN HAND	2022	2021		
		£	£		
	Cash in hand	<u>3,250,272</u>	<u>1,155,867</u>		
16.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021		
		£	£		
	Lease liabilities (see note 18)	632,353	705,885		
	Payments on account	-	14,450		
	Trade creditors	100,824	132,990		
	Amounts owed to group undertakings	1,101,296	842,933		
	Corporation Tax	55,573	152,732		
	Social security and other taxes	934,660	470,938		
	Other creditors	1,564,149	14,611		
	Accruals and deferred income	<u>320,036</u>	<u>401,082</u>		
		<u>4,708,891</u>	<u>2,735,621</u>		
17.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2022	2021		
		£	£		
	Lease liabilities (see note 18)	1,841,944	2,433,401		
	Amounts owed to group undertakings	-	100,000		
	Other creditors	<u>-</u>	<u>39,600</u>		
		<u>1,841,944</u>	<u>2,573,001</u>		
18.	FINANCIAL LIABILITIES - BORROWINGS				
	Terms and debt repayment schedule:				
		1 year or less	2-5 years	More than 5 years	Totals
		£	£	£	£
	Lease Liabilities	632,353	1,291,973	549,972	2,474,297

Leica Camera Limited (Registered number: 02308025)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

19. LEASING

Lease liabilities

Minimum lease payments fall due as follows:

	2022	2021
Gross obligations repayable:		
Within one year	632,353	705,885
Between one and five years	1,291,973	1,586,667
In more than five years	<u>549,972</u>	<u>846,734</u>
	<u>2,474,297</u>	<u>3,139,286</u>
Finance charges repayable:		
Net obligations repayable:		
Within one year	632,353	705,885
Between one and five years	1,291,973	1,586,667
In more than five years	<u>549,972</u>	<u>846,734</u>
	<u><u>2,474,297</u></u>	<u><u>3,139,286</u></u>

20. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Provision for Deferred Tax		
Fixed asset timing differences	94,395	79,056
Short term timing differences	<u>(6,465)</u>	<u>(5,294)</u>
Deferred tax liability/(asset)	<u><u>87,930</u></u>	<u><u>73,762</u></u>
Movement in provision:		
Provision at start of period	73,762	104,791
Deferred tax charged/(credited) in the Income Statement for the period	<u>14,168</u>	<u>(31,029)</u>
	<u><u>87,930</u></u>	<u><u>73,762</u></u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:		
			£	£
2	Ordinary Shares	1	<u><u>2</u></u>	<u><u>2</u></u>

Leica Camera Limited (Registered number: 02308025)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

22. RESERVES

Profit and loss account

Includes current and prior period retained profit and losses.

Other reserves

An agreement between Leica Camera AG and Leica Camera Limited. In the 31/03/1996 balance sheet of Leica Camera Ltd, accumulated losses total £442,000 at that date. In order to achieve the required capital base, the following was agreed: Leica Camera AG, the parent undertaking, provided Leica Camera Limited a capital contribution of DEM 1,908,160.00, equivalent £808,881, to be allocated to reserves in Leica Camera Ltd.

23. PENSION COMMITMENTS

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £79,541 (2021 - £78,124).

24. ULTIMATE PARENT COMPANY

The company is a subsidiary of Leica Camera AG which is incorporated in Germany and the ultimate parent company is Socrates Privatstiftung which is a trust incorporated in Austria.

The smallest group in which the results of the company are consolidated is that headed by ACM Projektentwicklung. The consolidated accounts of this company are available to the public and may be obtained from the German and Austrian public register. No other group accounts are included in the results of the company.