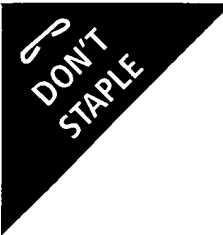


703694/20



OS AA01

Statement of details of parent law and other information for an overseas company



Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form for an alteration of manner of accounting requirements.

TUESDAY



ABDFMLPK

A08

27/09/2022

#382

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ①

SCOTT Sports SA

UK establishment number

B R 7 8 5 8

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

① This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation ②

Switzerland

② This means the relevant rules or legislation which regulates the preparation of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.

☒ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**.

Name of organisation or body ③

KPMG

③ Please insert the name of the appropriate accounting organisation or body.


OS AA01

Statement of details of parent law and other information for an overseas company

A3 Audited accounts		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. <input type="checkbox"/> No. Go to Part 3 'Signature'. <input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.	Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ①	KPMG	

Part 3

Signature

Signature	I am signing this form on behalf of the overseas company.	
	Signature	
	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>	
	This form may be signed by: <u>UK FINANCIAL CONTROLLER.</u> Director, Secretary, Permanent representative.	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Keith Serginson
Company name	SCOTT Sports SA
Address	SCOTT House
4 Baker Road	
Nelson Park West	
Post town	Cramlington
County/Region	Northumberland
Postcode	N E 2 3 1 W L
Country	England
DX	
Telephone	01670 593 794



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☒ You have completed all sections of the form, if appropriate.
- ☒ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



SCOTT Sports SA, Givisiez

Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders

Financial Statements 2021



KPMG SA
Avenue du Théâtre 1
PO Box 6663
CH-1002 Lausanne

+41 58 249 45 55
kpmg.ch

Report of the Statutory Auditor to the General Meeting of Shareholders of SCOTT Sports SA, Givisiez

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of SCOTT Sports SA, which comprise the balance sheet, the statement of income and notes for the year ended 30 September 2021.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 30 September 2021 comply with Swiss law and the company's articles of incorporation.



SCOTT Sports SA, Givisiez
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG SA

Fabien Perrinjaquet
Licensed Audit Expert
Auditor in Charge

Myriam Roulin
Licensed Audit Expert

Lausanne, 31 January 2022

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of available earnings

SCOTT Sports SA, Givisiez

BALANCE SHEET
(Currency - CHF)

	Notes	<u>September 30, 2021</u>	<u>September 30, 2020</u>
ASSETS			
CURRENT ASSETS :			
Cash and cash equivalents		134,562,174	93,689,923
Trade accounts receivable	2.1	72,534,286	114,869,113
Other short-term receivables			
- From third parties	2.5	41,110,202	1,352,140
- From shareholder		201,166	-
Inventories	2.2	68,221,664	99,875,946
Prepaid expenses and accrued income		870,380	1,335,111
<i>Total current assets</i>		<u>317,499,872</u>	<u>311,122,233</u>
NON-CURRENT ASSETS :			
Financial assets	2.3	46,567,222	44,267,212
Investments	2.4	7,279,232	7,884,525
Property, plant and equipment			
- land and buildings		56,694,273	65,898,682
- furnitures and fittings		765,996	820,119
- plant and equipment		10,248,542	9,793,745
- under construction		3,488,473	1,924,864
<i>Total property, plant and equipment</i>		<u>71,197,284</u>	<u>78,437,410</u>
Intangible assets		7,864,888	14,551,129
<i>Total non-current assets</i>		<u>132,908,626</u>	<u>145,140,276</u>
<i>Total assets</i>		<u><u>450,408,498</u></u>	<u><u>456,262,509</u></u>

SCOTT Sports SA, Givisiez

BALANCE SHEET
(Currency - CHF)

	Notes	<u>September 30, 2021</u>	<u>September 30, 2020</u>
LIABILITIES AND SHAREHOLDER'S EQUITY			
SHORT-TERM LIABILITIES :			
Trade accounts payable	2.5	86,966,236	95,440,648
Short-term interest bearing liabilities			
- Bank borrowings	2.6	46,754,888	31,847,111
- Loans due to shareholder		80,265,716	180,638,594
Other short-term liabilities			
- Due to third parties	2.7	10,382,006	11,769,511
- Due to shareholder		1,155,149	1,241,366
- Short-term notes payable		-	440,120
Accrued expenses and deferred income	2.8	17,528,000	20,062,277
Short-term provisions	2.9	4,770,415	4,622,651
<i>Total short-term liabilities</i>		<u>247,822,410</u>	<u>346,062,278</u>
LONG-TERM LIABILITIES :			
Long-term interest-bearing liabilities			
- Loans due to shareholder		39,265,000	38,445,000
- Long-term bank debts	2.6	53,358,500	427,500
<i>Total long-term liabilities</i>		<u>92,623,500</u>	<u>38,872,500</u>
SHAREHOLDER'S EQUITY :			
Share capital	2.10	6,000,000	6,000,000
General legal retained earnings		3,000,000	3,000,000
Voluntary retained earnings			
- Results carried forward		62,327,731	37,680,064
- Profit for the year		38,634,857	24,647,667
<i>Total shareholder's equity</i>		<u>109,962,588</u>	<u>71,327,731</u>
<i>Total liabilities and shareholder's equity</i>		<u>450,408,498</u>	<u>456,262,509</u>

SCOTT Sports SA, Givisiez

STATEMENT OF INCOME
FOR THE YEAR
(Currency - CHF)

		<u>from October 1, 2020 to September 30, 2021</u>	<u>from October 1, 2019 to September 30, 2020</u>
Revenue from sales of goods		742,933,731	740,689,610
Other operating income	2.11	6,178,643	6,873,412
Cost of sales		<u>(570,855,925)</u>	<u>(606,126,541)</u>
<i>Gross profit</i>		<u>178,256,449</u>	<u>141,436,481</u>
Administrative expenses		(65,865,626)	(49,979,973)
Selling and marketing expenses		<u>(65,144,553)</u>	<u>(63,572,351)</u>
<i>Operating expenses</i>		<u>(131,010,179)</u>	<u>(113,552,324)</u>
<i>Operating result</i>		<u>47,246,270</u>	<u>27,884,157</u>
Financial income	2.12	33,988,402	35,392,660
Financial expense	2.13	(35,241,489)	(36,460,503)
Non-operating income	2.14	1,639,759	11,967,353
Non-operating expenses	2.15	(1,868,054)	(10,526,285)
<i>Profit for the year before taxes</i>		<u>45,764,888</u>	<u>28,257,382</u>
Direct taxes		(7,130,031)	(3,609,715)
<i>Profit for the year</i>		<u><u>38,634,857</u></u>	<u><u>24,647,667</u></u>

Notes

1. Principles

1.1 General aspects

1.1.1 Operations

The Company sells mountain bikes, skipoles, skigoggles, skis, motorcycle-goggles, sunglasses and certain other leisure equipment and accessories through its own sales branches in Europe and to independent distributors.

1.1.2 Accounting policies

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

To ensure the comparability of information, certain line items of the comparative figures have been reclassified to conform to the presentation used in 2021.

(a) Inventories

Inventories are stated at cost. Manufactured inventories are assembled to a large extent by contractors and primarily consist of mountain bikes, ski and motorcycle goggles, skipoles and skis. Specific and general reserves are provided on inventory balances.

(b) Investments

The Company accounts for its investments in subsidiaries using the cost method. Investments are assessed for impairment annually or more often, when an event occurs or circumstances arise that could indicate a reduction of its book value. Any impairment in the value of investments is charged to the income statement in the period it occurs.

(c) Property, plant and equipment

Fixed assets include land, a building, machinery and equipment, furniture and fixtures, computer equipment and cars. The depreciation is computed on the straight-line basis over the estimated useful lives. The following depreciation rates are used:

• Land	0% p.a.
• Building	2.5% - 10% p.a.
• Furniture and fittings	20% p.a.
• Plant and equipment: - Office and warehouse installations	20% p.a.
- Molds	33% p.a.
- Cars	33% p.a.
- Computer equipment & software	33% p.a.
- Other	33% p.a.

Expenditures for maintenance and repairs are charged to the statement of income as incurred.

Notes

(d) Intangible assets

Amortization is calculated on a straight-line basis, from the acquisition date, and over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Trademark	5 - 15 years
• Patents	5 years
• Software	3 years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

(e) Foreign currency

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transactions or valuation where items are re-measured. Realized foreign exchange gains and losses from the settlement of such transactions and unrealized foreign exchange gains and losses from the translation at year-end exchange rates of current monetary assets and liabilities denominated in foreign currencies are recognized in the income statement presented net by currency. Net unrealized exchange gains by currency from translation of long-term monetary assets and liabilities are deferred, while net unrealized losses by currency on these items are recognized in the income statement.

Hedge

The Group's operations are conducted in numerous currencies. The Group manages its foreign currency exposures through a combination of natural hedges and the use of forward exchange contracts. The Company generally enters into these forward contracts to hedge positions for up to twelve months.

Forward exchange contracts used to hedge future transactions

As the imparity principle applies, the fair value of hedging derivatives is presented in the balance sheet in Accrued expenses and deferred income if the value represents an unrealized loss. In the case of an unrealized gain, no asset will be presented in the balance sheet and no gain will be recorded in the income statement. Realized gains and losses and unrealized losses are recorded in the income statement.

Forward exchange contracts used to hedge balance sheet positions

If the underlying is a balance sheet item valued at the current price, the derivative is also valued at the current price. Gains and losses arising from the underlying and hedging transactions are dealt with on a joint basis (combined valuation perspective with regard to valuation units). As the imparity principle applies, unrealized exchange gains on these items are deferred, while unrealized losses are recognized in the income statement.

Translation of financial statements of branches in foreign currencies

The branches of SCOTT Sports SA keep their books in their local currencies. Monetary and non-monetary assets and liabilities expressed in local currencies are translated into Swiss francs at the rate of exchange prevailing at the end of the year. Revenues and expenses are translated into Swiss francs at the average rate of exchange prevailing at the end of each month.

Gains arising from the translation of the financial statements are deferred under "Deferred translation gains" in Accrued expenses and deferred income, whereas losses are charged to the income statement in accordance with Swiss accounting requirements.

Notes

(f) Revenue from sale of goods

Sales are recognized when risks and rewards are transferred to the client. Normally, this is the case upon delivery of the goods.

(g) Income taxes

The Company is liable for income and capital taxes. In Switzerland the Company is taxed based on its income from domestic operations only. The foreign branches are taxed in their respective countries based on their local contribution to the Company's net result. For financial reporting purposes the Company has accrued all income taxes which will be levied based on the net income reported at closing date.

(h) Leases

Leasing and rental contracts are recognized based on legal ownership. Therefore, any leasing or rental expenses are recognized as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognized in the balance sheet.

1.1.3 Foregoing a cash flow statement and additional disclosures in the notes

As Scott Corporation SA, the parent company of SCOTT Sports SA, has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has been decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Notes

2 Disclosure on balance sheet and income statement items**2.1 Trade accounts receivable**

	In CHF	
	2021	2020
Receivables from third parties	54,318,988	70,516,638
Valuation adjustment	(5,096,091)	(5,820,076)
Receivables from group companies	24,531,990	51,251,893
Valuation adjustment	(1,220,601)	(1,079,342)
Total	72,534,286	114,869,113

2.2 Inventories

	In CHF	
	2021	2020
Finished goods	110,306,005	127,543,799
Valuation adjustment	(42,084,341)	(27,667,853)
Total	68,221,664	99,875,946

2.3 Financial assets

	In CHF	
	2021	2020
Long term group receivable	28,609,500	28,013,000
Loan to group companies	20,434,166	19,252,844
Valuation adjustment from group companies	(2,860,950)	(3,108,726)
Investments with an ownership of less than 20%	384,506	110,094
Total	46,567,222	44,267,212

As of April 12, 2021, the Company acquired 10% of the shares and voting rights in Velocorner AG.

Notes

2.4 Investments

Subsidiaries Company name, domicile	Share Capital in I.c.	Voting and capital rights in %	In CHF	
			2021	2020
S.P.F. S.p.A., Aosta, Italy	nil (2020 : EUR 1'074'000)	0 (100 in 2020)	-	757,727
Scott Sports AB, Uppsala, Sweden	SEK 500'000 (same in 2020)	100 (same in 2020)	2,535,450	2,535,450
Scott Italia S.r.l., Albino, Italy	EUR 100'000 (same in 2020)	100 (same in 2020)	4,264,473	4,264,473
Scott Sports Denmark A/S, Skanderborg, Denmark	DKK 500'000 (same in 2020)	100 (same in 2020)	74,898	74,898
BERGAMONT Fahrrad Vertrieb GmbH, Hamburg, Germany	EUR 125'000 (same in 2020)	100 (same in 2020)	404,412	251,977
Bold Cycles Services GmbH, Aschau im Chemgau, Germany, in liquidation	EUR 25'000 (same in 2020)	100 (same in 2020)	-	-
			7,279,232	7,884,525

As of August 3, 2021, S.P.F. S.p.A in Aosta, Italy was dissolved.

In 2021 impairment losses on investments were recognized in Non-operating expenses for a total amount of CHF 757,727 (2020 : CHF 10,420,277), as follow:

	In CHF	
	2021	2020
S.P.F. S.p.A.	757,727	129,982
BERGAMONT Fahrrad Vertrieb GmbH	-	10,262,670
Bold Cycles Services GmbH	-	27,625
	757,727	10,420,277

In 2021, reversal of impairment losses on investments were recognized in Non-operating income for a total amount of CHF 152,435 (2020 : CHF 21,785), as follow:

	In CHF	
	2021	2020
Scott Italia S.r.l.	-	(21,785)
BERGAMONT Fahrrad Vertrieb GmbH	(152,435)	-
	(152,435)	(21,785)

Notes

2.5 Trade accounts payable

	In CHF	
	2021	2020
Accounts payable due to third parties	67,532,950	79,962,719
Accounts payable to other group companies	17,751,060	13,041,623
Amounts payable due to shareholders	1,682,226	2,436,306
Total	86,966,236	95,440,648

Other short-term receivables from third parties

Other short-term receivables include advance payments to suppliers of CHF 39,805,400 (2020: nil). The advance payments are not interest bearing, are not exceeding 12 months and will be offset against suppliers invoices.

2.6 Bank borrowings

On November 1, 2020, the Company obtained a mortgage loan of CHF 50,000,000 which is secured by the land and buildings in Givisiez to the extent of a mortgage note of CHF 50,000,000. This mortgage loan of one year with a renewal option is bearing interests of 0.9% per annum. The quarterly repayments of CHF 250,000 started on March 31, 2021. On November 1, 2021, the renewal option was exercised. As the maturity date is November 1, 2022, this mortgage loan is presented as long-term bank debts.

On January 4, 2021, the Company obtained a mortgage loan of CHF 500,000 which is secured by the land and buildings in Givisiez to the extent of a mortgage note of CHF 500,000. This mortgage loan of five years is bearing interests of 1% per annum. The quarterly repayments of CHF 5,000 started on March 31, 2021.

On July 31, the Company obtained a mortgage loan of CHF 3,650,000 and a fixed rate advance of CHF 850,000 totaling CHF 4,500,000. These loans of ten years are bearing interests of 1.44% per annum and are secured by this property to the extent of the mortgage notes totaling CHF 4,500,000 and by the lease income. The quarterly repayments of respectively CHF 26,000 and CHF 21,250 will start on December 31, 2021.

The bank mortgages of CHF 53,812,500 (2020: CHF 522,500) and guaranteed fixed advance of CHF 850,000 (2020: nil) are secured by buildings and lands (see note 3.3). The repayment of the mortgages and guaranteed fixed advance are scheduled in installments for a total of CHF 1,304,000 per year (2020: CHF 95,000).

	In CHF	
Credit limits	2021	2020
Credit limit for financial derivatives or credit facility available	5,000,000	5,000,000
Credit limit for financial derivatives	-	4,000,000
Credit limit available for leasing	4,000,000	4,000,000

2.7 Pension liabilities

At September 30, 2021, liabilities due to pension schemes included in Other short-term liabilities due to third parties amounted to CHF 256,058 (2020: CHF 213,200).

Notes

2.8 Accrued expenses and deferred income

	In CHF	
	2021	2020
Accrued unrealized losses on forward exchange rate contracts	473,581	3,769,233
Accrued unrealized gain on long-term open balances	1,227,688	4,710,000
Other accrued expenses and deferred income	15,720,528	11,490,618
Deferred translation gains	106,203	92,426
Total	17,528,000	20,062,277

As at September 30, 2021, the Company had foreign exchange contracts for a total value of CHF 332 million (2020: CHF 313 million). As at September 30, 2021, the Company had unrealized gains relating to foreign exchange contracts used for hedging future transactions of CHF 9,382,781 and unrealized losses of CHF 473,581 (2020: unrealized gains of CHF 911,282 and unrealized losses of CHF 3,769,233). According to the accounting policy of the Company, the related unrealized losses are expensed in the statement of income but the unrealized gains are not recorded.

As at September 30, 2021, the Company had unrealized gain of CHF 4,500 (2019: loss of 820,000) on the forward exchange contracts used to hedge balance sheet positions. According to the accounting policy of the Company, the related forwards are dealt with on a joint basis with the underlying balance sheet position and the related loss offsets the accrued unrealized gain on open balances.

2.9 Provisions

At September 30, 2021, the short-term provision of CHF 4,770,415 (2019: CHF 4,622,651) concerns the warranty cases.

2.10 Share capital

As at September 30, 2021 & September 30, 2020, the share capital of CHF 6,000,000 consists of 12,000 registered shares at a par value of CHF 500.

2.11 Other operating income

As at September 30, 2021, Operating income consists of the co-sponsoring for CHF 1,290,277 (2020: CHF 1,376,444) and the recharges to the subsidiaries of IT, warehouse, managements fees and others for CHF 4,888,366 (2020: CHF 4,496,968).

As at September 30, 2020, Operating income also consisted of the release of a provision for a litigation concerning regulatory authorities in France for CHF 1,000,000.

2.12 Financial income

	In CHF	
	2021	2020
Foreign exchange gains	33,369,881	33,780,941
Foreign exchange gains on swaps and forwards, net	-	299,722
Interest income	609,123	1,311,997
Translation difference	9,398	-
Total	33,988,402	35,392,660

Notes

2.13 Financial expense

	In CHF	
	2021	2020
Foreign exchange losses	(28,392,484)	(28,765,126)
Foreign exchange losses on swaps and forwards, net	(3,158,579)	-
Interest expenses	(3,690,426)	(7,665,451)
Translation difference	-	(29,926)
Total	(35,241,489)	(36,460,503)

2.14 Non-operating income

	In CHF	
	2021	2020
Dividend income	216,463	10,348,056
Reversal of impairment losses on investments	152,435	21,785
Reversal of impairment losses on loan	307,426	941,832
Rental and other income	930,433	564,633
Gain on sales of fixed assets	33,002	91,047
Total	1,639,759	11,967,353

2.15 Non-operating expenses

Non-operating expenses mainly consist of impairment losses on investments for CHF 757,727 and other non-operating costs related to the closure of S.P.F. S.p.A. (2020: mainly consisted of impairment losses on investments for CHF 10,420,277).

2.16 Personnel expenses

	In CHF	
	2021	2020
Personnel expenses included in administrative expenses	15,031,478	13,922,681
Personnel expenses included in selling and marketing expenses	31,773,365	29,494,237
Total	46,804,843	43,416,918

In 2021, the Company was not entitled to wage subsidies in response to the COVID-19 pandemic (2020: CHF 1,720,633 was recognized in profit or loss decreasing the related wages and salaries expenses).

There is no outstanding balance of deferred income or receivable related to these grants as at September 30, 2021 and September 30, 2020.

2.17 Depreciation and amortisation

	In CHF	
	2021	2020
Depreciation and amortisation included in cost of sales	4,693,801	3,820,361
Depreciation and amortisation included in administrative expenses	25,070,495	10,003,032
Depreciation and amortisation included in selling and marketing expenses	526,040	566,401
Total	30,290,336	14,389,794

As at September 30, 2021, the Company proceeded to an extraordinary depreciation of its building in Route du Crochet 11 for CHF 15,000,000 (2020: nil), which is included in "Depreciation and amortisation included in administrative expenses". The depreciation was agreed by the local fiscal authorities.

Notes

3 Other information**3.1 Net release of hidden reserves**

	In CHF	
	2021	2020
Total net release of hidden reserves	-	-

3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250.

3.3 Assets pledged and assets with retention of title

As of September 30, 2021, according to the agreement signed by Scott Corporation SA and SCOTT Sports SA in April 2020 regarding the USD 140,000,000 shareholder's loan granted by Youngone to Scott Corporation SA, some trademarks are pledged. The net book value of these trademarks is nil, as they are fully depreciated (2020: CHF 4,508,292).

The bank mortgages of CHF 53,812,500 (2020: CHF 522,500) and guaranteed fixed advance of CHF 850,000 (2020: nil) are secured by buildings and lands in France and Switzerland to the extent of CHF 56,690,311 (2020: CHF 2,067,921).

As of September 30, 2021, Other receivables included cash deposits which cannot be withdrawn or used by the Company for liquidity purposes, and which secured certain transactions such as rent for Group entities for an amount of CHF 379,210 (2020: CHF 223,286).

3.4 Collateral and guarantees for third party liabilities

SCOTT Sports SA has open guarantees amounting to CHF 84,630,910 (2020: CHF 131,041,796) mainly due to the fact that SCOTT Sports SA acts as a guarantor for the credit facility of a group company, for the shareholder's loan of the parent company, but also for own customs clearing and rent.

3.5 Residual amount of leasing obligations

At September 30, 2021, the Company had lease commitments that were not recorded on the balance sheet for a total of CHF 4,610,112 (2020: CHF 4,842,002). The maturity of leasing obligations which have a residual term of more than twelve months or which cannot be canceled within the next twelve months is as follow:

	In CHF	
	2021	2020
Up to 1 year	1,893,853	1,577,976
1 - 5 year	2,716,259	3,211,378
More than 5 years	-	52,648
	4,610,112	4,842,002

These amounts include payments related to leasing contracts up to the end of their (a) contract period or (b) notice period, as applicable.

Notes

3.6 COVID

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic. Currently, there is still a significant economic uncertainty and disruption of business operations.

However, the COVID-19 outbreak and the subsequent lockdown restrictions stimulated the trend to higher demand for outdoor activities and alternative mobility solutions. This triggered the demand for bicycles.

As a consequence, this particular situation continued to have a positive effect on the revenue and the net result of the Company for the year ending September 30, 2021 despite the lack of stock availability in the second part of the year. In addition, the Company saved costs mainly in relation to marketing campaigns and events which had to be cancelled.

The outlook for the next twelve months is still positive regarding the revenue and the net result of the Company. However the ongoing supply issues, stock availability on time and freight pressure, on which the Company has no influence, could have an adverse impact on the sales growth and net result.

In 2020, the Coronavirus outbreak had a positive impact on the sales which increased significantly. In addition, the Company saved costs mainly in relation to marketing campaigns and events and thanks to government grants (CHF 1,720,633 - see note 2.16).

3.7 Subsequent events

As mentioned in note 2.6, on November 1, 2021, the renewal option on the mortgage loan of CHF 50'000'000, which is secured by the land and buildings in Givisiez, was exercised.

Proposed Appropriation of Available Earnings

In CHF

Retained earnings brought forward 62,327,731
Profit for the year 38,634,857

Available earnings 100,962,588

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation of available earnings:

To be carried forward 100,962,588

100,962,588

As the general legal retained earnings reaches 50% of the share capital, a further allocation has been waived.