

COMPANY REGISTRATION NUMBER: 02564709

Photo-Me (Retail) Limited

Annual Report and Unaudited Financial Statements

Year ended 31 October 2021

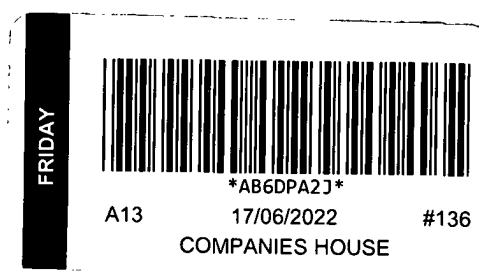


Photo-Me (Retail) Limited

Financial Statements

Year ended 31 October 2021

Contents	Page
Officers and Professional Advisors	1
Directors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6

Photo-Me (Retail) Limited

Officers and Professional Advisers

DIRECTOR

D Mansi

REGISTERED OFFICE

Unit 3B, Blenheim Road
Epsom
Surrey
KT19 9AP

Photo-Me (Retail) Limited

Directors' Report

Year ended 31 October 2021

The directors present their report and the unaudited financial statements of the company for the year ended 31 October 2021.

Principal Activities

The company operated photo kiosks in Asda Stores Limited under a 10-year licence, acquired on 1 November 2016. In June 2022 and expressed to be effective as of 1 March 2022, the trading assets and liabilities of the Company were transferred to its immediate parent company, Photo-Me International Plc.

Director

The director who served the company during the period was as follows:

D Mansi

Dividends

The director does not recommend the payment of any dividends (2020: nil).

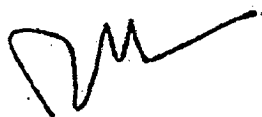
Going Concern

The trading assets and liabilities of the Company were transferred to its immediate parent Company, Photo-Me International Plc, in June 2022 and expressed to be effective as of 1 March 2022. The Director intends to dissolve the Company therefore the financial statements have not been prepared on a going concern basis. Further details are provided in note 1 of the financial statements.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the sole director on 15 June 2022 and signed by him:



D. Mansi

Registered office:
Unit 3B, Blenheim Road
Epsom
Surrey
KT19 5AP

Photo-Me (Retail) Limited

Profit and Loss Account

Year ended 31 October 2021

	Note	12 months to 31 October 2021 £	18 months to 31 October 2020 £	12 months to 31 October 2020 £
TURNOVER	4	564,472	1,233,042	685,924
Cost of sales		(609,095)	(3,353,934)	(2,777,594)
GROSS LOSS		(44,623)	(2,120,892)	(2,091,670)
Administrative expenses		(305,892)	(38,641)	(34,222)
Other operating income	5	388,642	2,230,913	2,108,188
OPERATING PROFIT / (LOSS)	6	38,127	71,380	(17,704)
(LOSS) / PROFIT BEFORE TAXATION		38,127	71,380	(17,704)
Tax on profit	8	(92,646)	533,318	998,244
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD		(54,519)	604,698	980,540

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 6 to 14 form part of these financial statements.

Photo-Me (Retail) Limited

Balance Sheet

31 October 2021

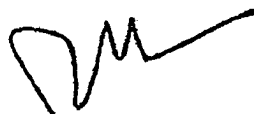
	Note	31 October 2021 £	31 October 2020 £
FIXED ASSETS			
Tangible assets	10	328,117	507,234
		<u>328,117</u>	<u>507,234</u>
CURRENT ASSETS			
Debtors	11	195,309	360,564
Cash and cash equivalents		411,082	206,476
		<u>606,391</u>	<u>567,040</u>
CREDITORS: amounts falling due within one year	12	(2,122,272)	(2,207,519)
NET CURRENT LIABILITIES		<u>(1,515,881)</u>	<u>(1,640,479)</u>
NET LIABILITIES		<u>(1,187,864)</u>	<u>(1,133,245)</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Retained profit	15	(1,187,864)	(1,133,345)
SHAREHOLDERS DEFICIT		<u>(1,187,764)</u>	<u>(1,133,245)</u>

For the period ended 31 October 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

Directors' responsibilities:

- The members of the Company have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Act;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the sole director and authorised for issue on 15 June 2022, and are signed by the sole director:



D. Mansi

Company registration number: 02564709

Photo-Me (Retail) Limited

The notes on pages 6 to 14 form part of these financial statements

Photo-Me (Retail) Limited

Statement of Changes in Equity

Year ended 31 October 2021

	Called up share capital £	Retained loss £	Total £
AT 30 APRIL 2019	100	(1,738,043)	(1,737,943)
Profit for the period	-	604,698	604,698
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	604,698	604,698
AT 31 OCTOBER 2020	100	(1,133,345)	(1,133,245)
Profit for the period	-	(54,519)	(54,519)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	(54,519)	(54,519)
AT 31 OCTOBER 2021	100	(1,187,864)	(1,187,764)

The notes on pages 6 to 14 form part of these financial statements

Notes to the Financial Statements

Year ended 31 October 2021

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 3B, Blenheim Road, Epsom, Surrey, KT19 9AP.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

3.1 Basis of preparation

The trading assets and liabilities of the Company were transferred to its immediate parent Company, Photo-Me International Plc, in June 2022 effective as of February 2022, and Director intends to dissolve the Company. The financial statements are prepared on a non-going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 ('the Act') and in accordance with FRS 102.

The principal activity of the Company will continue, albeit with its assets and liabilities under the ownership of a different Company. Therefore, historical cost is still considered an appropriate measurement basis and there is no indicator of impairment or reduced recoverable value. The assets and liabilities will be transferred to Photo-Me International Plc at their carrying values.

The financial statements are prepared in sterling, which is the functional currency of the entity. All amounts in the financial statements have been rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes to the Financial Statements

Year ended 31 October 2021

3. ACCOUNTING POLICIES (continued)

3.2 Disclosure exemptions

The Company's ultimate parent undertaking, Photo-Me International plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Photo-Me International Plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Photo-Me International plc, Unit 3B, Blenheim Road, Epsom, Surrey, KT19 9AP.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- From preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- From providing the financial instrument disclosures, required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as this information is provided in the consolidated financial statements of the ultimate parent entity;
- From disclosing the Company's key management personnel compensation as required by paragraph 7 of Section 33 'Related Party Disclosures'

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

3.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts for revenue and expenses during the year. The nature of estimation, however, means that the actual outcome could differ from those estimates. The director considers that the critical accounting policies where judgements or estimates are necessarily applied are the useful lives tangible fixed assets.

Tangible assets

In setting the asset lives for plant and machinery management estimate the life of the asset and the period over which depreciation is charged. The director reviews the period over which depreciation is charged based on results and if the kiosks and other vending equipment will continue to offer products and services to satisfy consumer demand.

3.4 Revenue recognition

Revenue from operations of kiosks and other vending equipment is the cash received and held in machines net of value added tax and refunds.

Revenue from the sale of goods is recognised upon delivery and acceptance by the customer net of value added tax and refunds.

Notes to the Financial Statements

Year ended 31 October 2021

3. ACCOUNTING POLICIES (continued)

3.5 Other operating income

Other operating income includes net revenue (agent's commission) on web based sales (Livelink) and amounts receivable under the group's transfer pricing policy.

3.6 Current and deferred taxation

Tax expense for the current period comprises current and deferred tax and is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or equity.

The current tax charge is calculated on the basis of the laws enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided in full on temporary differences arising between the tax base of assets and liabilities and their carrying value in the accounts.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in future periods in which the temporary difference will reverse, based on tax rates and laws enacted or substantively enacted at the year end.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit, against which the deductible temporary differences can be utilised, will be available.

Deferred tax is provided, or an asset recognised, on taxable temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and liabilities are measured at the amounts expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at year end.

3.7 Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes to the Financial Statements

Year ended 31 October 2021

3. ACCOUNTING POLICIES (continued)

3.8 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

3.10 Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Kiosks and other vending equipment: Maximum of 10 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

3.11 Impairment of fixed assets

At each reporting date intangible and tangible fixed assets are reviewed to determine if there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

3.12 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as an interest expense in the profit and loss account.

Trade and other debtors / creditors

Trade and other creditors are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of less than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 3 months from date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

Photo-Me (Retail) Limited

Notes to the Financial Statements

Year ended 31 October 2021

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OTHER OPERATING INCOME

	12 months to 31 October 2021 £	18 months to 31 October 2020 £
Commission receivable	388,642	551,455
Management charges receivable	-	1,679,458
	<u>388,642</u>	<u>2,230,913</u>

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	12 months to 31 October 2021 £	18 months to 31 October 2020 £
Amortisation of intangible assets	-	399,145
Depreciation of tangible assets	169,344	202,391
Impairment of intangible assets	-	1,759,049
Loss on disposal of tangible assets	2,246	105,009
Foreign exchange differences	-	8,923
Management fees payable	<u>297,729</u>	<u>-</u>

Director's remuneration was borne by other Group companies. Director's emoluments attributable to the company during the period were £nil (2020: £nil).

7. STAFF COSTS

The average number of people employed by the company during the period amounted to Nil (2020: Nil).

The aggregate payroll costs incurred during the period were:

	12 months to 31 October 2021 £	18 months to 31 October 2020 £
Wages and salaries	48,000	71,700
	<u>48,000</u>	<u>71,700</u>

Notes to the Financial Statements

Year ended 31 October 2021

8. TAX ON PROFIT

Major components of tax expense

	12 months to 31 October 2021 £	18 months to 31 October 2020 £
Current tax:		
UK current tax expense	7,915	41,551
Adjustments in respect of prior periods	71,736	(370,841)
Total current tax	79,651	(329,290)
Deferred tax:		
Origination and reversal of timing differences	12,995	(221,497)
Impact of change in tax rate	-	17,469
Total deferred tax	12,995	(204,028)
Tax on profit	92,646	(533,318)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is higher than (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	12 months to 31 October 2021 £	18 months to 31 October 2020 £
Profit on ordinary activities before tax	38,127	71,380
Profit on ordinary activities by rate of tax	7,244	13,562
Adjustments to tax charge in respect of prior periods	71,736	(370,841)
Effect of expenses not deductible for tax purposes	-	21,419
Remeasurement of deferred tax for changes in tax rates	-	(5,155)
Deferred tax not recognised	-	(192,303)
Deferred tax reversal	12,995	-
Other items	671	-
Tax on profit	92,646	(533,318)

Factors that may affect future tax expense

The corporation tax rate for the period ended 31 October 2021 was 19%. The Finance Bill 2021 was substantively enacted on 24 May 2021, legislating that the UK Corporation Tax rate will increase from 19% to 25% with effect from 1 April 2023.

Photo-Me (Retail) Limited

Notes to the Financial Statements

Year ended 31 October 2021

9. INTANGIBLE ASSETS

	Intangibles £
Cost	
At 1 November 2020	2,901,466
Disposals	(15,474)
At 31 October 2021	2,885,992
Depreciation	
At 1 November 2020	2,901,466
Disposals	(15,474)
At 31 October 2021	2,885,992
Carrying amount at 31 October 2021	-
Carrying amount at 31 October 2020	-

10. TANGIBLE ASSETS

	Kiosks and operating equipment £
Cost	
At 1 November 2020	1,266,276
Additions	1,334
Disposals	(34,630)
At 31 October 2021	1,232,980
Depreciation	
At 1 November 2020	759,042
Charge for the period	169,344
Disposals	(23,523)
At 31 October 2021	904,863
Carrying amount at 31 October 2021	328,117
Carrying amount at 31 October 2020	507,234

Photo-Me (Retail) Limited

Notes to the Financial Statements

Year ended 31 October 2021

11. DEBTORS

	31 October 2021	31 October 2020
	£	£
Trade debtors	-	152,801
Amounts due from group undertakings	1,036	-
Deferred tax asset	36,667	55,540
Other debtors	157,606	152,223
	<u>195,309</u>	<u>360,564</u>

12. CREDITORS: amounts falling due within one year

	31 October 2021	31 October 2020
	£	£
Trade creditors	7,408	361,705
Amounts owed to group undertakings	1,787,711	1,764,472
Accruals and deferred income	262,493	5,484
Corporation tax	64,150	67,081
Social security and other taxes	510	8,777
	<u>2,122,272</u>	<u>2,207,519</u>

13. DEFERRED TAX

The deferred tax asset consists of the tax effect of timing differences in respect of:

	31 October 2021	31 October 2020
	£	£
Accelerated capital allowances	-	55,540

14. CALLED UP SHARE CAPITAL

Issued, called up and fully paid:

	31 October 2021 No.	£	31 October 2020 No.	£
Ordinary share of £1 each	100	100	100	100

15. RESERVES

Reserves are made up of share capital and profits accumulated over the years.

Notes to the Financial Statements

Year ended 31 October 2021

16. RELATED PARTY TRANSACTIONS

As the company's voting rights are controlled within the group headed by Photo-Me International plc, the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group and are wholly owned.

17. CONTROLLING PARTY

The Company is a subsidiary undertaking of the ultimate parent company which is Photo-Me International plc, Unit 38, Blenheim Road, Epsom Surrey, KT19 9AP, registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Photo-Me International plc, incorporated in England & Wales. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from the Secretary.