
HORWOOD LIFE LIMITED

**UNAUDITED FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 MARCH 2020**

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS

COMPANY INFORMATION

Directors	G Benjamin (appointed 16 August 2019) S Benjamin (appointed 30 August 2019) K Heathcote (appointed 30 August 2019) R Jones (appointed 30 August 2019) N Rosati (appointed 30 August 2019) D Benjamin (appointed 16 August 2019, resigned 30 August 2019)
Company secretary	K Heathcote
Registered number	12160467
Registered office	Avonmouth Way Bristol BS11 9HX

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATMENTS

CONTENTS

	Page
Statement of comprehensive income	1
Balance sheet	2
Statement of Changes in Equity	3
Notes to the Financial Statements	4-12

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020**

	2020 £
Turnover	374,014
Cost of sales	(269,269)
Gross profit	104,745
Distribution and administrative expenses	(400,730)
Operating loss	(295,985)
Loss for the financial period	(295,985)
Items that will not be reclassified to profit or loss:	
Currency translation differences	(71,968)
Total comprehensive loss for the period	(367,953)

The notes on pages 4 to 12 form part of these financial statements.

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS
REGISTERED NUMBER: 12160467

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £
Fixed assets		
Goodwill	6	172,204
		<u>172,204</u>
Fixed assets		
Tangible assets	7	186,924
		<u>359,128</u>
Current assets		
Stocks	8	117,705
Debtors: amounts falling due within one year	9	73,367
Cash at bank and in hand	10	53,927
		<u>244,999</u>
Creditors: amounts falling due within one year	11	(145,367)
Net current assets		<u>99,632</u>
Total assets less current liabilities		<u>458,760</u>
Net assets		<u>458,760</u>
Capital and reserves		
Called up share capital	13	1,000
Share premium account	14	825,713
Foreign exchange reserve	14	(71,968)
Profit and loss account	14	(295,985)
		<u>458,760</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Signed as management certified, unaudited financial statements.

K Heathcote
Director

R Jones
Director

The notes on pages 4 to 12 form part of these financial statements.

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Profit and loss account £	Total equity £
Comprehensive income for the period					
Loss for the period	-	-	-	(295,985)	(295,985)
Currency translation differences	-	-	(71,968)	-	(71,968)
Shares issued during the period	1,000	825,713	-	-	826,713
Total transactions with owners	1,000	825,713	-	-	826,713
At 31 March 2020	1,000	825,713	(71,968)	(295,985)	458,760

The notes on pages 4 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

1. General information

Horwood Life Limited is a private company, limited by shares, incorporated in England and Wales. The address of the registered office is Avonmouth Way, Bristol, BS11 9HX. However, the principal activities are undertaken through an Australian branch.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- 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 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, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.3 Going concern

The company has reported a loss for the period of £295,985 and has since been impacted by the uncertainties associated with COVID-19.

The operating budget for the coming financial year has been re-written based on a best estimate of the impact of the COVID-19 pandemic on the business.

The directors have a reasonable expectation that the company has adequate resources to enable it to continue in operational existence by meeting its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. This includes potential support for working capital requirements from Horwood Homewares Limited. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the above, the directors recognise that it is very difficult to quantify the full impact of the COVID-19 pandemic upon both the wider economy and the retail sector in the near future.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

2.7 Tangible fixed 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10% Straight line
Office equipment	-	25% Straight line
Other fixed assets including moulds	-	20% 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Impairment of assets

The company assesses at each reporting date whether an asset may be impaired. If there is any such indication that the carrying value may not be recoverable, the company estimates the recoverable amount of the asset. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss.

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

4. Employees

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

	2020 No.
Management sales and administration	12

5. Directors' remuneration

	2020 £
Directors' emoluments	92,289
Company contributions to defined contribution pension schemes	14,997
	<u>107,286</u>

During the period retirement benefits were accruing to two directors in respect of defined contribution pension schemes.

6. Goodwill

	2020 £
Cost	
Additions	172,204
At 31 March 2020	<u>172,204</u>
Net book value	
At 31 March 2020	<u>172,204</u>

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

7. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation				
Additions	11,594	30,999	162,060	204,653
At 31 March 2020	<u>11,594</u>	<u>30,999</u>	<u>162,060</u>	<u>204,653</u>
Depreciation				
Charge for the period on owned assets	676	3,242	13,811	17,729
At 31 March 2020	<u>676</u>	<u>3,242</u>	<u>13,811</u>	<u>17,729</u>
Net book value				
At 31 March 2020	<u>10,918</u>	<u>27,757</u>	<u>148,249</u>	<u>186,924</u>

8. Stocks

	2020 £
Finished goods and goods for resale	117,705
	<u>117,705</u>

9. Debtors

	2020 £
Trade debtors	39,156
Other debtors	26,211
Prepayments and accrued income	8,000
	<u>73,367</u>

HORWOOD LIFE LIMITED – UNAUDITED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

10. Cash and cash equivalents

	2020 £
Cash at bank and in hand	53,927
Less: bank overdrafts	(138)
	<u>53,789</u>

11. Creditors: Amounts falling due within one year

	2020 £
Bank overdrafts	138
Trade creditors	803
Amounts owed to group undertakings	36,646
Other taxation and social security	30,206
Other creditors	30,291
Accruals and deferred income	47,283
	<u>145,367</u>

12. Financial instruments

	2020 £
Financial assets	
Financial assets measured at fair value through profit or loss	<u>53,927</u>

13. Share capital

	2020 £
Allotted, called up and fully paid	
1,000,000 Ordinary shares of £0.001 each	<u>1,000</u>

The above ordinary shares were issued to the shareholders in the year, with premium arising, as disclosed in note 14 below.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

14. Reserves

Share premium account

The share premium represents the excess of proceeds received for shares over the nominal value of the shares issued.

Foreign exchange reserve

This reserve reflects the impact of translating certain foreign denominated balances to the year end exchange rate.

Profit and loss account

This represents cumulative profits and losses of the company, less any dividends to shareholders.

15. Related party transactions

At 31 March 2020, there was an amount of AUS\$5,500 due from a director of the company, which is interest free and repayable in fortnightly instalments.

During the period, the company made sales of £141,177 and recharges of £44,973 to group companies and at the year end there was an amount of £42,096 due to these group companies.

16. Post balance sheet events

Following the declaration of Covid-19 as a global pandemic in March 2020, the directors took appropriate action in order to ensure the safety of all employees and to mitigate the impact on the company. This included closing the office temporarily, although a skeleton team of staff has continued to work since that time, which has enabled us to maintain strong customer and supplier relationships and report sales to customers who have continued trading. As lockdown measures are now being lifted, the company is seeking to return to normal levels of trading at the earliest opportunity.

17. Controlling party

The current immediate parent company is Horwood Homewares Limited, a company incorporated in England and Wales.

The ultimate parent company is TTK Prestige Limited, a company incorporated in India. Consolidated financial statements for TTK Prestige are available from the company's registered office.

There is not deemed to be a single controlling party of TTK Prestige.