

Company Registration No. 08792519 (England and Wales)

**IN THE STYLE FASHION LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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# IN THE STYLE FASHION LIMITED

## COMPANY INFORMATION

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**Directors** Mr Adam Frisby  
Mr James Sharp (Appointed 25 April 2017)

**Company number** 08792519

**Registered office** Unit 5  
Olympic Court  
Salford  
M50 2QP

**Independent Auditor** Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

**Bankers** NatWest Bank plc  
Manchester Spinningfields Sq Branch  
182 Deansgate  
Manchester  
M3 3LY

**Solicitors** Weightmans LLP  
3 Picadilly Place  
Manchester  
M1 3BN

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# **IN THE STYLE FASHION LIMITED**

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# **IN THE STYLE FASHION LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their annual report and financial statements for the year ended 31 March 2017.

#### **Principal activities**

The principal activity of the Company continued to be that of a clothing retailer.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Adam Frisby

Mr James Sharp

(Appointed 25 April 2017)

#### **Post reporting date events**

Subsequent to the year end the company has received significant investment in return for the issue of shares, to assist in the projected growth of the business (refer to note 10 for further details).

#### **Auditor**

Grant Thornton UK LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

# IN THE STYLE FASHION LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2017**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



.....  
Mr Adam Frisby

Director

20/9/17

# **IN THE STYLE FASHION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IN THE STYLE FASHION LIMITED**

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We have audited the financial statements of In The Style Fashion Limited for the year ended 31 March 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

# IN THE STYLE FASHION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF IN THE STYLE FASHION LIMITED

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#### Matters on which we are required to report by exception

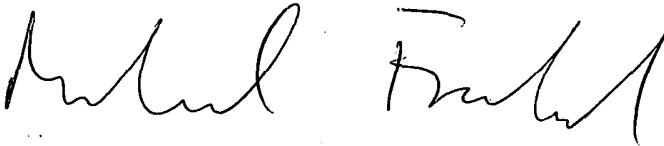
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

#### Other matters

The corresponding figures for the year ended 31 March 2016 are unaudited as the Company was entitled to exemption from audit under section 477 of The Companies Act 2006 relating to small companies. Following the request by member, the Company is no longer entitled to exemption from audit.



**Michael Frankish (Senior Statutory Auditor)**  
for and on behalf of Grant Thornton UK LLP

20/9/17

#### Chartered Accountants

#### Statutory Auditor

Chartered Accountants & Statutory Auditor

4 Hardman Square

Spinningfields

Manchester

M3 3EB

**IN THE STYLE FASHION LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Turnover - continuing operations		9,218,492	4,300,754
Cost of sales		(4,757,244)	(2,306,486)
<b>Gross profit</b>		<b>4,461,248</b>	<b>1,994,268</b>
Distribution costs		(1,614,011)	(774,581)
Administrative expenses		(3,174,211)	(1,150,256)
<b>Operating (loss)/profit - continuing operations</b>	<b>2</b>	<b>(326,974)</b>	<b>69,431</b>
Interest payable and similar expenses		-	(7)
<b>(Loss)/profit before taxation</b>		<b>(326,974)</b>	<b>69,424</b>
Taxation		12,187	5,960
<b>(Loss)/profit after taxation</b>		<b>(314,787)</b>	<b>75,384</b>
Retained earnings at 1 April 2016		76,119	34,327
Dividends		(30,921)	(33,592)
<b>Retained earnings at 31 March 2017</b>		<b>(269,589)</b>	<b>76,119</b>

There are no recognised gains and losses for 2017 or 2016 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 7 to 14 form part of these financial statements.

# IN THE STYLE FASHION LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	4		527,999		586,667
Tangible assets	5		90,585		105,595
			<u>618,584</u>		<u>692,262</u>
<b>Current assets</b>					
Stocks		463,468		170,000	
Debtors	6	222,290		52,363	
Cash at bank and in hand		565,223		283,956	
		<u>1,250,981</u>		<u>506,319</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,105,215)</u>		<u>(1,088,523)</u>	
<b>Net current liabilities</b>			<u>(854,234)</u>		<u>(582,204)</u>
<b>Total assets less current liabilities</b>			<u>(235,650)</u>		<u>110,058</u>
<b>Net (liabilities)/assets</b>			<u>(235,650)</u>		<u>110,058</u>
<b>Capital and reserves</b>					
Called up share capital	9		10,000		10,000
Share premium account			23,939		23,939
Profit and loss reserves			(269,589)		76,119
			<u>(235,650)</u>		<u>110,058</u>

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

The financial statements were approved by the board of directors and authorised for issue on 20/9/17 and are signed on its behalf by:



Mr Adam Frisby  
Director

Company Registration No. 08792519

The notes on pages 7 to 14 form part of these financial statements

**IN THE STYLE FASHION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies**

**Company information**

In The Style Fashion Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 5, Olympic Court, Salford, M50 2QP.

The principal activity of the Company continued to be that of a clothing retailer.

**1.1 Accounting convention**

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

The financial statements are prepared in pounds sterling, which is the functional currency of the company.

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

These financial statements for the year ended 31 March 2017 are the first financial statements of In The Style Fashion Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

**1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. Subsequent to the year end the company received substantial investment, refer to note 10.

**1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**IN THE STYLE FASHION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies**

**1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 13 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**1.5 Tangible fixed assets**

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

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

Fixtures, fittings & equipment	25% reducing balance
Computer equipment	33% on cost
Motor vehicles	25% reducing balance

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

**1.6 Impairment of fixed assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# IN THE STYLE FASHION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

##### **Basic financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

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

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

# IN THE STYLE FASHION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### 1.10 Equity instruments

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

##### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### *Current tax*

The tax currently payable is based on taxable profit for the year. 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 reporting end date.

###### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

##### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**IN THE STYLE FASHION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**2 Operating (loss)/profit**

	<b>2017</b>	<b>2016</b>
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements		
Depreciation	8,000	-
Amortisation	47,071	28,237
Operating lease payments	58,668	-
	<u>38,078</u>	<u>34,582</u>

**3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 83 (2016 - 40).

**4 Intangible fixed assets**

	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	<u>800,000</u>
<b>Amortisation</b>	
At 1 April 2016	213,333
Amortisation charged for the year	<u>58,668</u>
At 31 March 2017	<u>272,001</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>527,999</u>
At 31 March 2016	<u>586,667</u>

**IN THE STYLE FASHION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**5 Tangible fixed assets**

	<b>Plant and machinery</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2016	135,955
Additions	32,061
At 31 March 2017	<u>168,016</u>
<b>Depreciation</b>	
At 1 April 2016	30,360
Depreciation charged in the year	47,071
At 31 March 2017	<u>77,431</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>90,585</u>
At 31 March 2016	<u>105,595</u>

**6 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	-	2,056
Corporation tax recoverable	-	5,960
Other debtors	210,103	44,347
	<u>210,103</u>	<u>52,363</u>
Deferred tax asset	12,187	-
	<u>222,290</u>	<u>52,363</u>

**7 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	508,336	119,983
Other taxation and social security	285,220	21,664
Other creditors	1,311,659	946,876
	<u>2,105,215</u>	<u>1,088,523</u>

# IN THE STYLE FASHION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2017 £	Assets 2016 £
<b>Balances:</b>		
Accelerated capital allowances	(18,117)	-
Tax losses	30,304	-
	<u>12,187</u>	<u>-</u>
		<b>2017</b>
		£
<b>Movements in the year:</b>		
Liability at 1 April 2016		-
Credit to profit or loss		(12,187)
		<u>(12,187)</u>
Liability/(Asset) at 31 March 2017		<u>(12,187)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

#### 9 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital Issued and fully paid</b>		
9,998 Ordinary of £1 each	9,998	9,998
1 Ordinary A of £1 each	1	1
1 Ordinary B of £1 each	1	1
	<u>10,000</u>	<u>10,000</u>

All classes of shares in issue at the balance sheet date have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

# IN THE STYLE FASHION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 10 Events after the reporting date

Subsequent to the year end the company has secured investment funding from Livingbridge Venture Capital which will provide the company with the ability for growth. As a result of this funding new shares have been issued and existing shares have been reclassified as follows:-

On 25th April 2017 the A and B Ordinary shares were reclassified as Ordinary shares. On the same date all 10,000 Ordinary £1 shares were sub-divided into 10,000,000 Ordinary shares of £0.001 each.

3,000,000 A Ordinary shares of £0.0001, 5,183,149,380 B preference shares of £0.0000001 each, 250,000 C1 Ordinary shares of £0.01 each, 250,000 C Ordinary shares of £0.01 each, 375,000 D1 Ordinary shares of £0.001 each and 1,125,000 D Ordinary shares of £0.001 each were issued for a total consideration of £5,229,449.

#### 11 Related party transactions

##### Remuneration of key management personnel

	2017	2016
	£	£
Aggregate compensation	<u>8,064</u>	<u>8,736</u>

Included within creditors falling due within one year is a balance due to the director amounting to £752,225 (2016 - £760,617). This balance is unsecured, interest free and repayable upon demand.

Dividends paid to directors amounted to £30,024 (2016 - £30,031).

#### 12 Controlling party

The company is controlled on a day to day basis by the director and majority shareholder A Frisby.