

Company Registration No. 01584795 (England and Wales)

BRAVADO LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017
PAGES FOR FILING WITH REGISTRAR

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BRAVADO LIMITED

COMPANY INFORMATION

| | | |
|------------------|--|----------------------------|
| Directors | D A Green G F Palmer S L Quinnell D Field | (Appointed 15 August 2017) |
|------------------|--|----------------------------|

| | |
|------------------|------------|
| Secretary | G F Palmer |
|------------------|------------|

| | |
|-----------------------|----------|
| Company number | 01584795 |
|-----------------------|----------|

| | |
|--------------------------|--|
| Registered office | First Floor Thavies Inn House 3-4 Holborn Circus London EC1N 2HA |
|--------------------------|--|

| | |
|----------------|---|
| Auditor | Wilson Wright LLP Chartered Accountants Thavies Inn House 3-4 Holborn Circus London EC1N 2HA |
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BRAVADO LIMITED

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BRAVADO LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|--------------------|------------------|--------------------|----------------|
| Fixed assets | | | | | |
| Property, plant and equipment | 3 | | - | | 3,481 |
| Investments | 4 | | - | | - |
| Current assets | | | | | |
| Inventories | | 293,761 | | 685,229 | |
| Trade and other receivables | 5 | 2,780,559 | | 3,592,733 | |
| Cash at bank and in hand | | 91,332 | | 129,365 | |
| | | <u>3,165,652</u> | | <u>4,407,327</u> | |
| Current liabilities | 6 | <u>(3,523,474)</u> | | <u>(4,165,789)</u> | |
| Net current (liabilities)/assets | | | (357,822) | | 241,538 |
| Total assets less current liabilities | | | <u>(357,822)</u> | | <u>245,019</u> |
| Equity | | | | | |
| Called up share capital | 7 | | 600 | | 600 |
| Share premium account | | | 74,800 | | 74,800 |
| Capital redemption reserve | | | 600 | | 600 |
| Retained earnings | | | (433,822) | | 169,019 |
| Total equity | | | <u>(357,822)</u> | | <u>245,019</u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 07/09/18 and are signed on its behalf by:


D A Green
Director

Company Registration No. 01584795

BRAVADO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2017

| | Notes | Share capital £ | Share premium account £ | Capital redemption reserve £ | Retained earnings £ | Total £ |
|--|-------|-----------------------|----------------------------------|---------------------------------------|---------------------------|------------|
| Balance at 1 June 2015 | | 1,200 | 74,800 | - | 257,552 | 333,552 |
| Year ended 31 May 2016: | | | | | | |
| Loss and total comprehensive income for the year | | - | - | - | (60,393) | (60,393) |
| Redemption of shares | 7 | - | - | 600 | (28,140) | (27,540) |
| Reduction of shares | 7 | (600) | - | - | - | (600) |
| Balance at 31 May 2016 | | 600 | 74,800 | 600 | 169,019 | 245,019 |
| Year ended 31 May 2017: | | | | | | |
| Loss and total comprehensive income for the year | | - | - | - | (602,841) | (602,841) |
| Balance at 31 May 2017 | | 600 | 74,800 | 600 | (433,822) | (357,822) |

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Bravado Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, Thavies Inn House, 3-4 Holborn Circus, London, EC1N 2HA. The principal place of business is 4-10 North Road, London, N7 9EY.

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 sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

During the year ended 31 May 2017 the company incurred a net loss of £602,841 and had net liabilities of £357,822 at the year end date. The company has a debt factor facility in place to the value of £3.9 million and this is adequately covering the trade debtors' balance as at year end and providing working capital for the company. Included in debtors, is a balance amounting to £369,339 receivable from a subsidiary which has net liabilities of £9,445. The directors have reviewed post year end performance of the subsidiary and have advised that the financial performance is improving and that will enable it to repay all of its debts.

1.3 Revenue

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, and is net of customer returns, rebates, settlement discount and value added tax.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life:

| | |
|--------------------------------|---------------|
| Plant and machinery | 25% |
| Fixtures, fittings & equipment | 20%/ 25%/ 33% |

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 the statement of income.

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.5 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

1.7 Inventories

Inventories 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 inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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 the income statement.

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 and other short-term liquid investments with original maturities of three months or less.

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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

The company's main financial instruments comprise of trade receivable and payables which are measured at undiscounted amounts less impairment and cash and cash equivalents.

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.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of income, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 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.

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 income statement, 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.

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

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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 24 (2016 - 28).

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

3 Property, plant and equipment

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|------------------------------------|------------------------|--------------------------------------|--------|
| | £ | £ | £ |
| Cost | | | |
| At 1 June 2016 and 31 May 2017 | 4,061 | 62,367 | 66,428 |
| Depreciation and impairment | | | |
| At 1 June 2016 | 4,061 | 58,886 | 62,947 |
| Depreciation charged in the year | - | 3,481 | 3,481 |
| At 31 May 2017 | 4,061 | 62,367 | 66,428 |
| Carrying amount | | | |
| At 31 May 2017 | - | - | - |
| At 31 May 2016 | - | 3,481 | 3,481 |

4 Subsidiaries

Details of the company's subsidiaries at 31 May 2017 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct Indirect |
|----------------------|----------------------|--------------------|-------------------------|---------------------------|
| Bravado (UK) Limited | England | Women's clothing | Ordinary | 70.00 |

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

| Name of undertaking | Profit £ | Capital and Reserves £ |
|----------------------|-------------|------------------------------|
| Bravado (UK) Limited | 28,866 | (9,445) |

During the year, the company increased their shareholding in Bravado (UK) Limited by 35% for nil consideration. At the reporting date, the carrying value of the company's investment in Bravado (UK) Limited was £nil (2016 - £nil).

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

5 Trade and other receivables

| | 2017 | 2016 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade receivables | 1,944,294 | 2,502,146 |
| Amounts due from subsidiary | 369,339 | 145,245 |
| Other receivables | - | 47,438 |
| Prepayments and accrued income | 466,926 | 897,904 |
| | <u>2,780,559</u> | <u>3,592,733</u> |

6 Current liabilities

| | 2017 | 2016 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade payables | 1,779,433 | 2,022,427 |
| Other taxation and social security | 152,959 | 32,265 |
| Other payables | 1,390,046 | 1,747,108 |
| Accruals and deferred income | 201,036 | 363,989 |
| | <u>3,523,474</u> | <u>4,165,789</u> |

Included in other payables is amounts owed to factors of £1,383,373 (2016 - £1,741,967) which are secured over the company's assets.

7 Called up share capital

| | 2017 | 2016 |
|--------------------------------|------------|------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 600 Ordinary shares of £1 each | 600 | 600 |
| | <u>600</u> | <u>600</u> |

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1.2 in the financial statements which indicates that the Company incurred a net loss of £602,841 during the year ended 31 May 2017 and, as of that date, the Company's current liabilities exceeded its total assets by £357,822. These conditions, along with other matters as set forth in Note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

8 Audit report information

(Continued)

The senior statutory auditor was Nikki Crane ACA.
The auditor was Wilson Wright LLP.

9 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| 2017 | 2016 |
|--------------------------|--------------------------|
| £ | £ |
| 10,181 | 45,086 |
| <u><u> </u></u> | <u><u> </u></u> |

10 Events after the reporting date

On 15 August 2017, the company issued 400 ordinary shares and increased it's issued share capital from 600 to 1,000 ordinary £1 shares. The shares were issued as part of a share for share exchange by the company to acquire 30 shares in Bravado (UK) Limited. The company now owns the entire share capital of Bravado (UK) Limited.

11 Related party disclosures

D A Green has provided a guarantee to the company's factors limited to £195,000.