

Company Registration No. 05230854 (England and Wales)

**SALUNDA LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**



# **SALUNDA LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	D Richardson A Finlay I Broadhurst R Taylor
<b>Secretary</b>	D Richardson
<b>Company number</b>	05230854
<b>Registered office</b>	6 Avonbury Business Park Howes Lane Bicester Oxfordshire OX26 2UA
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU

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# **SALUNDA LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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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). 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.

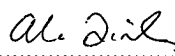
**SALUNDA LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	5	240,351		215,521	
Tangible assets	6	99,694		46,339	
Investments	7	525		525	
		<u>340,570</u>		<u>262,385</u>	
<b>Current assets</b>					
Stocks		92,867		109,541	
Debtors	8	270,135		223,587	
Cash at bank and in hand		2,125,574		753,094	
		<u>2,488,576</u>		<u>1,086,222</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(134,356)</u>		<u>(159,125)</u>	
<b>Net current assets</b>		<u>2,354,220</u>		<u>927,097</u>	
<b>Total assets less current liabilities</b>		<u>2,694,790</u>		<u>1,189,482</u>	
<b>Provisions for liabilities</b>	10	<u>(43,000)</u>		<u>-</u>	
<b>Net assets</b>		<u><u>2,651,790</u></u>		<u><u>1,189,482</u></u>	
<b>Capital and reserves</b>					
Called up share capital	12	397,757		234,738	
Share premium account		7,972,457		5,985,694	
Share option reserve		34,943		-	
Profit and loss reserves		<u>(5,753,367)</u>		<u>(5,030,950)</u>	
<b>Total equity</b>		<u><u>2,651,790</u></u>		<u><u>1,189,482</u></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 27 MARCH 17 and are signed on its behalf by:

  
 .....  
 A Finlay  
 Director

# SALUNDA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Share option reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		234,738	5,985,694	-	(4,569,646)	1,650,786
<b>Year ended 31 December 2015:</b>						
Loss and total comprehensive income for the year		-	-	-	(461,304)	(461,304)
<b>Balance at 31 December 2015</b>		234,738	5,985,694	-	(5,030,950)	1,189,482
<b>Year ended 31 December 2016:</b>						
Loss and total comprehensive income for the year		-	-	-	(722,417)	(722,417)
Issue of share capital	12	163,019	1,986,763	-	-	2,149,782
Credit to equity for equity settled share-based payments	4	-	-	34,943	-	34,943
<b>Balance at 31 December 2016</b>		397,757	7,972,457	34,943	(5,753,367)	2,651,790

# **SALUNDA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

Salunda Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 Avonbury Business Park, Howes Lane, Bicester, Oxfordshire, OX26 2UA.

#### **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.

These financial statements are the first financial statements of Salunda Limited prepared in accordance with FRS 102. The financial statements of Salunda Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **Going concern**

The company made a loss for the year after tax of £722,417 (2015: £461,304), and had net assets of £2,651,790 (2015: £1,189,482). The directors have considered the forecasts and projections for the company for the next 12 months from the date of this report and are satisfied that these funds will provide sufficient funding for the company to meet its debts as and when they fall due. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### **Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies (Continued)

#### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Patents are being written off evenly over their contractual life or useful economic life if shorter.

#### **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:

Leasehold land and buildings	Over the life of the lease
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Computer equipment	50% straight line

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.

#### **Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities 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 profit or loss.

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.

#### **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.

# **SALUNDA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1 Accounting policies (Continued)**

##### **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.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

##### **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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **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 trade and other creditors and loans from fellow group companies, 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.

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

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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.



# **SALUNDA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1 Accounting policies (Continued)**

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

##### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### **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.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies (Continued)

#### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

#### 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.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2015 - 10).

### 3 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	196,181	192,229

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 4 Share-based payment transactions

During the year, the company recognised total share-based payment expenses of £34,943 (2015: £nil) which related to equity settled share based payment transactions.

### 5 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 January 2016	318,196
Additions	72,040
Disposals	(38,026)
	<hr/>
At 31 December 2016	352,210
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2016	102,675
Amortisation charged for the year	20,735
Disposals	(11,551)
	<hr/>
At 31 December 2016	111,859
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<b>Carrying amount</b>	
At 31 December 2016	240,351
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At 31 December 2015	215,521
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# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 6 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2016	-	169,807	17,670	96,951	284,428
Additions	43,000	6,421	-	32,910	82,331
Disposals	-	(36,024)	-	(51,001)	(87,025)
At 31 December 2016	43,000	140,204	17,670	78,860	279,734
<b>Depreciation and impairment</b>					
At 1 January 2016	-	130,214	17,575	90,300	238,089
Depreciation charged in the year	-	15,074	35	13,867	28,976
Eliminated in respect of disposals	-	(36,024)	-	(51,001)	(87,025)
At 31 December 2016	-	109,264	17,610	53,166	180,040
<b>Carrying amount</b>					
At 31 December 2016	43,000	30,940	60	25,694	99,694
At 31 December 2015	-	39,593	95	6,651	46,339

### 7 Fixed asset investments

	2016 £	2015 £
Investments	525	525

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2016 & 31 December 2016	525
<b>Carrying amount</b>	
At 31 December 2016	525
At 31 December 2015	525

# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

<b>8 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	20,309	93,401
Corporation tax recoverable	139,878	85,145
Other debtors	109,948	45,041
	<u>270,135</u>	<u>223,587</u>
<b>9 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	39,570	95,214
Other taxation and social security	13,396	16,504
Other creditors	81,390	47,407
	<u>134,356</u>	<u>159,125</u>
<b>10 Provisions for liabilities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Dilapidations provision	<u>43,000</u>	<u>-</u>
<b>11 Retirement benefit schemes</b>	<b>2016</b>	<b>2015</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	<u>23,351</u>	<u>22,199</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 12 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
397,757,025 Ordinary shares of 0.1p each	397,757	234,738

During the year, 163,018,874 (2015: nil) ordinary shares with a nominal value of £0.001 (2015: £nil) were issued for cash consideration of £2,160,000 (2015: £nil) to raise funds.

Shareholders are entitled to one vote per share. Shares also hold the right to participate in a distribution of profits by way of a dividend. Upon a return of assets on a liquidation, reduction of capital or otherwise, the surplus assets of the company remaining after payment of its liabilities shall be distributed amongst the shareholders pro rata according to the number of ordinary shares held by each of them. Shares are however not redeemable.

### 13 Operating lease commitments

#### Lessee

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

	2016 £	2015 £
Within one year	21,038	7,500

# SALUNDA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 14 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods	
	2016 £	2015 £
Other related parties	11,592	18,384
	<u>11,592</u>	<u>18,384</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Other related parties	23	3,006
	<u>23</u>	<u>3,006</u>

During the year directors' A Finlay, R Taylor and IP2IPO Services Limited purchased ordinary shares of £10,000 (2015: £nil), £50,000 (2015: £nil) and £500,000 (2015: £nil) respectively.

### 15 Parent company

The ultimate controlling party is considered to be the directors.

### 16 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.

The senior statutory auditor was Perry Linton FCA.

The auditor was RSM UK Audit LLP.