

SALUNDA LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017
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SALUNDA LIMITED

COMPANY INFORMATION

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

SALUNDA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

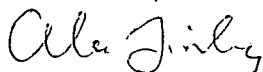
SALUNDA LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	5	298,644		240,351	
Tangible assets	6	50,407		99,694	
Investments	7	525		525	
		349,576		340,570	
Current assets					
Stocks		95,350		92,867	
Debtors	8	439,109		270,135	
Cash at bank and in hand		810,463		2,125,574	
		1,344,922		2,488,576	
Creditors: amounts falling due within one year	9	(140,353)		(134,356)	
Net current assets		1,204,569		2,354,220	
Total assets less current liabilities		1,554,145		2,694,790	
Provisions for liabilities	10	(48,000)		(43,000)	
Net assets		1,506,145		2,651,790	
Capital and reserves					
Called up share capital	12	397,757		397,757	
Share premium account		7,972,457		7,972,457	
Share option reserve		107,052		34,943	
Profit and loss reserves		(6,971,121)		(5,753,367)	
Total equity		1,506,145		2,651,790	

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 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 21st March 2018 and are signed on its behalf by:



A Finlay
Director

SALUNDA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Share option reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2016		234,738	5,985,694	-	(5,030,950)	1,189,482
Year ended 31 December 2016:						
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
Balance at 31 December 2016		397,757	7,972,457	34,943	(5,753,367)	2,651,790
Year ended 31 December 2017:						
Loss and total comprehensive income for the year		-	-	-	(1,217,754)	(1,217,754)
Issue of share capital		-	-	-	-	-
Credit to equity for equity settled share-based payments	4	-	-	72,109	-	72,109
Balance at 31 December 2017		397,757	7,972,457	107,052	(6,971,121)	1,506,145

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

Going concern

The company made a loss for the year after tax of £1,217,754 (2016: £722,417), and had net assets of £1,506,145 (2016: £2,651,790). 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.

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

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 2017

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 2017

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 14 (2016 - 11).

3 Directors' remuneration

	2017 £	2016 £
Remuneration paid to directors	222,412	196,181

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 2017

4 Share-based payment transactions

During the year, the company recognised total share-based payment expenses of £72,109 (2016: £34,943) which related to equity settled share based payment transactions.

5 Intangible fixed assets

	Other £
Cost	
At 1 January 2017	352,210
Additions	91,383
Disposals	(14,858)
	<hr/>
At 31 December 2017	428,735
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Amortisation and impairment	
At 1 January 2017	111,859
Amortisation charged for the year	23,142
Disposals	(4,912)
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At 31 December 2017	130,091
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Carrying amount	
At 31 December 2017	298,644
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At 31 December 2016	240,351
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SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2017	43,000	140,204	17,670	78,860	279,734
Additions	6,989	4,840	167	22,912	34,908
Disposals	-	(10,749)	(9,751)	(4,795)	(25,295)
At 31 December 2017	49,989	134,295	8,086	96,977	289,347
Depreciation and impairment					
At 1 January 2017	-	109,264	17,610	53,166	180,040
Depreciation charged in the year	44,249	14,690	48	25,208	84,195
Eliminated in respect of disposals	-	(10,749)	(9,751)	(4,795)	(25,295)
At 31 December 2017	44,249	113,205	7,907	73,579	238,940
Carrying amount					
At 31 December 2017	5,740	21,090	179	23,398	50,407
At 31 December 2016	43,000	30,940	60	25,694	99,694

7 Fixed asset investments

	2017 £	2016 £
Investments	525	525

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 & 31 December 2017	525
Carrying amount	
At 31 December 2017	525
At 31 December 2016	525

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	171,465	20,309
Corporation tax recoverable	209,000	139,878
Other debtors	58,644	109,948
	<u>439,109</u>	<u>270,135</u>
 9 Creditors: amounts falling due within one year	 2017	 2016
	£	£
Trade creditors	54,169	39,570
Other taxation and social security	27,584	13,396
Other creditors	58,600	81,390
	<u>140,353</u>	<u>134,356</u>
 10 Provisions for liabilities	 2017	 2016
	£	£
Dilapidations provision	<u>48,000</u>	<u>43,000</u>
 11 Retirement benefit schemes	 2017	 2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>33,904</u>	<u>23,351</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 2017

12 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
397,757,025 Ordinary shares of 0.1p each	397,757	397,757

During the year, no ordinary shares were issued. In 2016, 163,018,874 ordinary shares with a nominal value of £0.001 were issued for cash consideration of £2,160,000 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:

	2017 £	2016 £
Within one year	53,639	21,038
Due within 2-5 years	58,525	-

SALUNDA LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Related party transactions

Transactions with related parties

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

	Purchase of goods	
	2017	2016
	£	£
Other related parties	-	11,592
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017	2016
	£	£
Other related parties	-	23
	<u> </u>	<u> </u>
	-	23
	<u> </u>	<u> </u>

During the year there were no purchases of shares by directors. During 2016, directors' A Finlay, R Taylor and IP2IPO Services Limited purchased ordinary shares of £10,000, £50,000 and £500,000 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.