

REGISTERED NUMBER: 06721191 (England and Wales)

Flexyfoot Limited

Report of the Directors and

Unaudited Financial Statements for the Year Ended 31 December 2016

Contents of the Financial Statements
for the Year Ended 31 December 2016

	Page
Company Information	1
Report of the Directors	2
Income Statement	4
Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Reconciliation of Equity	12
Reconciliation of Loss	14

Flexyfoot Limited

Company Information
for the Year Ended 31 December 2016

DIRECTORS:

D M Goodwin
S Davidson

SECRETARY:

D M Goodwin

REGISTERED OFFICE:

The White House
2 Meadow
Godalming
Surrey
GU7 3HN

BUSINESS ADDRESS:

Barn House
Warren Lane
Pyrford
Woking
Surrey
GU22 8XD

REGISTERED NUMBER:

06721191 (England and Wales)

ACCOUNTANTS:

Hughes Waddell
The White House
2 Meadow
Godalming
Surrey
GU7 3HN

Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of development and sale of a mobility product.

REVIEW OF BUSINESS

2016 was a year of significant progress for Flexyfoot. Sales grew by 60%, driven by growth in both the UK and a number of significant overseas markets. The Flexyfoot range of products is now widely recognised and we are experiencing growing interest from potential distributors.

In 2016 we initiated an improved design of the Flexyfoot ferrule, and re-configured our supply chain in conjunction with this. There were a number of technical challenges associated with these changes which lead to significant additional costs associated with tooling, product replacement and shipping. We estimate that these changes reduced our gross profit margin by circa 10% in 2016.

In July 2016, the Company raised £160,000 from existing and new shareholders via the Seedrs crowd-funding platform. The Directors are delighted to welcome our new shareholders, which include some of our customers, and we thank all of our shareholders for their continued support.

2017 is witnessing continued growth, and we are consolidating on the changes made in 2016. In April 2017 the Company secured an invoice and trade finance facility for up to £100K, which will support continued growth in existing and new markets.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

D M Goodwin
S Davidson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

Flexyfoot Limited (Registered number: 06721191)

Report of the Directors
for the Year Ended 31 December 2016

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

S Davidson - Director

1 June 2017

Flexyfoot Limited (Registered number: 06721191)

Income Statement
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
TURNOVER		245,318	152,726
Cost of sales		<u>139,922</u>	<u>88,526</u>
GROSS PROFIT		105,396	64,200
Administrative expenses		<u>210,038</u>	<u>211,224</u>
OPERATING LOSS and			
LOSS BEFORE TAXATION	4	(104,642)	(147,024)
Tax on loss		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(104,642)</u>	<u>(147,024)</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
LOSS FOR THE YEAR		(104,642)	(147,024)
OTHER COMPREHENSIVE INCOME			
Cash share issue		149,954	-
Costs of share issue		(13,939)	-
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		136,015	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>31,373</u>	<u>(147,024)</u>

Balance Sheet
31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Tangible assets	5		5,238		1,778
CURRENT ASSETS					
Stocks		65,669		7,959	
Debtors	6	66,062		17,968	
Cash at bank		9,993		8,512	
		<u>141,724</u>		<u>34,439</u>	
CREDITORS					
Amounts falling due within one year	7	<u>116,624</u>		<u>117,331</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>25,100</u>		<u>(82,892)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			30,338		(81,114)
CREDITORS					
Amounts falling due after more than one year	8		80,000		-
NET LIABILITIES			<u>(49,662)</u>		<u>(81,114)</u>
CAPITAL AND RESERVES					
Called up share capital			414		335
Share premium			542,075		406,060
Retained earnings			<u>(592,151)</u>		<u>(487,509)</u>
SHAREHOLDERS' FUNDS			<u>(49,662)</u>		<u>(81,114)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Balance Sheet - continued
31 December 2016

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 14 May 2017 and were signed on its behalf by:

S Davidson - Director

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2015	335	(340,485)	406,060	65,910
Changes in equity				
Total comprehensive income	-	(147,024)	-	(147,024)
Balance at 31 December 2015	335	(487,509)	406,060	(81,114)
Changes in equity				
Issue of share capital	79	-	136,015	136,094
Total comprehensive income	-	(104,642)	-	(104,642)
Balance at 31 December 2016	414	(592,151)	542,075	(49,662)

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. STATUTORY INFORMATION

Flexyfoot Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis. The Directors regularly review the recent and projected performance of the Company. Taking into account recent price increases, anticipated sales growth, current expense levels and the availability of external funding, the Directors are confident that the Company can meet its financial obligations as they fall due.

Turnover

Turnover represents net invoiced sales of mobility products, excluding value added tax during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Patents

The costs incurred in establishing patents are expensed in accordance with the corresponding treatment of the development expenditure for the products to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 .

4. OPERATING LOSS

The operating loss is stated after charging:

	31.12.16	31.12.15
	£	£
Depreciation - owned assets	<u>1,076</u>	<u>835</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Equipment £	Totals £
COST			
At 1 January 2016	1,299	2,924	4,223
Additions	<u>4,536</u>	<u>-</u>	<u>4,536</u>
At 31 December 2016	<u>5,835</u>	<u>2,924</u>	<u>8,759</u>
DEPRECIATION			
At 1 January 2016	260	2,185	2,445
Charge for year	<u>683</u>	<u>393</u>	<u>1,076</u>
At 31 December 2016	<u>943</u>	<u>2,578</u>	<u>3,521</u>
NET BOOK VALUE			
At 31 December 2016	<u>4,892</u>	<u>346</u>	<u>5,238</u>
At 31 December 2015	<u>1,039</u>	<u>739</u>	<u>1,778</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Trade debtors	25,118	8,768
VAT	15,021	3,207
Prepayments and accrued income	<u>25,923</u>	<u>5,993</u>
	<u>66,062</u>	<u>17,968</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Trade creditors	79,737	30,218
PAYE & NIC	2,244	-
Other creditors	3,030	3,260
Amounts due to related parties	5,000	783
Directors' current accounts	-	582
Accrued expenses	26,613	82,488
	<u>116,624</u>	<u>117,331</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.16	31.12.15
	£	£
Deferred directors remuneration	80,000	-
	<u>80,000</u>	<u>-</u>

9. POST BALANCE SHEET EVENTS

In April 2017 the Company secured a facility for up to £100K of trade and invoice finance. The facility is provided by Ultimate Finance and provides funding linked to the Company's order book and inventory. In conjunction with this facility, Ultimate Finance has a debenture over the Company's assets.

10. ULTIMATE CONTROLLING PARTY

There was no controlling party throughout the current and prior accounting year.

Reconciliation of Equity

1 January 2015

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,778	-	1,778
CURRENT ASSETS				
Stocks		7,959	-	7,959
Debtors		17,968	-	17,968
Cash at bank		8,512	-	8,512
		34,439	-	34,439
CREDITORS				
Amounts falling due within one year		(117,331)	-	(117,331)
NET CURRENT LIABILITIES		(82,892)	-	(82,892)
TOTAL ASSETS LESS CURRENT LIABILITIES		(81,114)	-	(81,114)
NET LIABILITIES		(81,114)	-	(81,114)
CAPITAL AND RESERVES				
Called up share capital		335	-	335
Share premium		406,060	-	406,060
Retained earnings		(487,509)	-	(487,509)
SHAREHOLDERS' FUNDS		(81,114)	-	(81,114)

Reconciliation of Equity - continued
31 December 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,778	-	1,778
CURRENT ASSETS				
Stocks		7,959	-	7,959
Debtors		17,968	-	17,968
Cash at bank		8,512	-	8,512
		34,439	-	34,439
CREDITORS				
Amounts falling due within one year		(117,331)	-	(117,331)
NET CURRENT LIABILITIES		(82,892)	-	(82,892)
TOTAL ASSETS LESS CURRENT LIABILITIES		(81,114)	-	(81,114)
NET LIABILITIES		(81,114)	-	(81,114)
CAPITAL AND RESERVES				
Called up share capital		335	-	335
Share premium		406,060	-	406,060
Retained earnings		(487,509)	-	(487,509)
SHAREHOLDERS' FUNDS		(81,114)	-	(81,114)

Reconciliation of Loss
for the Year Ended 31 December 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	152,726	-	152,726
Cost of sales	(88,526)	-	(88,526)
GROSS PROFIT	64,200	-	64,200
Administrative expenses	(211,224)	-	(211,224)
OPERATING LOSS	(147,024)	-	(147,024)
and			
LOSS BEFORE TAXATION	(147,024)	-	(147,024)
Tax on loss	-	-	-
LOSS FOR THE FINANCIAL YEAR	<u>(147,024)</u>	<u>-</u>	<u>(147,024)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.