

Company Registration No. 07082485 (England and Wales)

1ST ONLINE SOLUTIONS LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1ST ONLINE SOLUTIONS LTD

COMPANY INFORMATION

Directors	Mr A Skarlatov Mr R Sovndahl
Company number	07082485
Registered office	Second Floor 98 Tooley Street London SE1 2TH
Accountants	TaxAssist Accountants Chancery Station House 31-33 High Holborn London WC1V 6AX
Business address	Second Floor 98 Tooley Street London SE1 2TH

1ST ONLINE SOLUTIONS LTD

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1ST ONLINE SOLUTIONS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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 IT and Marketing Services.

Directors

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

Mr A Skarlatov

Mr R Sovndahl

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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. The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr A Skarlatov

Director

20 December 2017

Mr R Sovndahl

Director

20 December 2017

1ST ONLINE SOLUTIONS LTD

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF 1ST ONLINE SOLUTIONS LTD FOR THE YEAR ENDED 31 MARCH 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of 1st Online Solutions Ltd for the year ended 31 March 2017 set out on pages 3 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html>.

It is your duty to ensure that 1st Online Solutions Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of 1st Online Solutions Ltd. You consider that 1st Online Solutions Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of 1st Online Solutions Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

TaxAssist Accountants

20 December 2017

Chancery Station House
31-33 High Holborn
London
WC1V 6AX

1ST ONLINE SOLUTIONS LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover		8,031,594	4,867,463
Cost of sales		(6,066,379)	(3,440,770)
Gross profit		1,965,215	1,426,693
Administrative expenses		(1,891,870)	(1,224,669)
Other operating expenses		(923)	(1,906)
Operating profit		72,422	200,118
Interest receivable and similar income		3,059	1,088
Interest payable and similar expenses		(31,925)	(27,911)
Profit before taxation		43,556	173,295
Tax on profit		(15,623)	(34,954)
Profit for the financial year		27,933	138,341

1ST ONLINE SOLUTIONS LTD

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets			148,339		22,366
Tangible assets	4		327,678		373,273
Current assets					
Stocks		15,465		10,583	
Debtors	5	292,051		244,468	
Investments	6	67,586		38,183	
Cash at bank and in hand		663,694		553,453	
		<u>1,038,796</u>		<u>846,687</u>	
Creditors: amounts falling due within one year	7	<u>(1,260,205)</u>		<u>(840,793)</u>	
Net current (liabilities)/assets			<u>(221,409)</u>		<u>5,894</u>
Total assets less current liabilities			254,608		401,533
Creditors: amounts falling due after more than one year	8		(166,472)		(250,579)
Provisions for liabilities			<u>(58,592)</u>		<u>(64,925)</u>
Net assets			<u>29,544</u>		<u>86,029</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			29,444		85,929
Total equity			<u>29,544</u>		<u>86,029</u>

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

1ST ONLINE SOLUTIONS LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 20 December 2017 and are signed on its behalf by:

Mr A Skarlatov
Director

Mr R Sovndahl
Director

Company Registration No. 07082485

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

1st Online Solutions Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Second Floor, 98 Tooley Street, London. SE1 2TH.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 1st Online Solutions Ltd 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 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company.

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.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 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.

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Amortisation 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:

Website Development Costs	Amortisation in equal instalments over 5 years
Intellectual Property Rights	Amortisation in equal instalments over 10 years

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:

Plant and machinery	25 % straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line
Motor vehicles	25% 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.

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.

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 at bank and in hand

Cash at bank and in hand 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.

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 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.

1.13 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.

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.15 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 profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2016 - 12).

3 Intangible fixed assets

	Other	Intellectual Property Rights	Total
	£	£	£
Cost			
At 1 April 2016	-	44,731	44,731
Additions	148,339	-	148,339
Disposals	-	(44,731)	(44,731)
	<u>148,339</u>	<u>-</u>	<u>148,339</u>
At 31 March 2017	148,339	-	148,339
Amortisation and impairment			
At 1 April 2016	-	22,365	22,365
Amortisation charged for the year	-	3,370	3,370
Disposals	-	(25,735)	(25,735)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2017	-	-	-
Carrying amount			
At 31 March 2017	<u>148,339</u>	<u>-</u>	<u>148,339</u>
At 31 March 2016	<u>-</u>	<u>22,366</u>	<u>22,366</u>

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2016	624,273
Additions	131,268
Disposals	(103,827)
At 31 March 2017	651,714
Depreciation and impairment	
At 1 April 2016	251,180
Depreciation charged in the year	157,113
Eliminated in respect of disposals	(84,257)
At 31 March 2017	324,036
Carrying amount	
At 31 March 2017	327,678
At 31 March 2016	373,273

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	132,267	161,305
Other debtors	49,301	26,486
	181,568	187,791
Amounts falling due after more than one year:		
Other debtors	110,483	56,677
Total debtors	292,051	244,468

6 Current asset investments

	2017 £	2016 £
Other investments	67,586	38,183

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	7,540	7,566
Trade creditors	353,123	322,743
Corporation tax	21,956	3,629
Other taxation and social security	324,368	205,392
Other creditors	553,218	301,463
	<u>1,260,205</u>	<u>840,793</u>

8 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	396	6,886
Other creditors	166,076	243,693
	<u>166,472</u>	<u>250,579</u>

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10 Related party transactions

Transactions with related parties

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

	Sale of goods or services	
	2017	2016
	£	£
Lead Creators Ltd	32,929	-
Northwest kingdom Ltd	24,410	-
Other related parties	2,888	-
	<u>59,227</u>	<u>-</u>

1ST ONLINE SOLUTIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Related party transactions

(Continued)

Included in expenses are services received from Eco Clean BG Ltd (Bulgaria) of £3,175,000 a company which is owned equally by Anton Skarlatov and Rune Sovndahl.

Included in expenses are services received from First Online Solutions Ltd (Bulgaria) of £1,634,995 a company which is owned equally by Anton Skarlatov and Rune Sovndahl.

Included in expenses are services received from Starfish Enterprise EOOD (Bulgaria) of £86,700 a company which is owned by Rune Sovndahl.

Included in expenses are services received from First Online Affiliates Ltd (Bulgaria) of £108,950 a company which is indirectly controlled by Anton Skarlatov and Rune Sovndahl.

Included in expenses are services received from Lead Creators Ltd (Fantas) of £68,000 a company which is indirectly controlled by Anton Skarlatov and Rune Sovndahl.

Included in expenses are services received from Northwest Kingdom Ltd (Bulgaria) of £87,977 a company which is indirectly controlled by Anton Skarlatov and Rune Sovndahl.

11 Directors' transactions

Dividends totalling £84,417 (2016 - £91,329) were paid in the year in respect of shares held by the company's directors.

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.