

Company Registration No. 07648053 (England and Wales)

WILEYFOX EUROPE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

PAGES FOR FILING WITH REGISTRAR



WILEYFOX EUROPE LIMITED

COMPANY INFORMATION

| | | |
|--------------------------|---|----------------------------|
| Directors | Mr Daniel Readman Mr Andrew Collinge | (Appointed 10 August 2016) |
| Company number | 07648053 | |
| Registered office | Jubilee House Townsend Lane Kingsbury London NW9 8TZ | |
| Auditor | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW | |

WILEYFOX EUROPE LIMITED

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WILEYFOX EUROPE LIMITED**BALANCE SHEET****AS AT 31 MAY 2016**

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|------------------|--------------------|------------------|---|
| Fixed assets | | | | | |
| Intangible assets | 3 | 463,587 | | 360,000 | |
| Tangible assets | 4 | 4,179 | | 6,505 | |
| | | <u>467,766</u> | | <u>366,505</u> | |
| Current assets | | | | | |
| Stocks | | - | 45,000 | | |
| Debtors | 5 | 189,493 | 1,796,818 | | |
| Cash at bank and in hand | | 1,777 | 4,405 | | |
| | | <u>191,270</u> | <u>1,846,223</u> | | |
| Creditors: amounts falling due within one year | 6 | <u>(543,476)</u> | <u>(2,307,280)</u> | | |
| Net current liabilities | | <u>(352,206)</u> | | <u>(461,057)</u> | |
| Total assets less current liabilities | | <u>115,560</u> | | <u>(94,552)</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 7 | 1,000 | 1,000 | | |
| Profit and loss reserves | - | 114,560 | (95,552) | | |
| Total equity | | <u>115,560</u> | <u>(94,552)</u> | | |

The directors of the company have elected not to include a copy of the profit and loss account 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 2 February 2017 and are signed on its behalf by:



Mr Daniel Readman
Director

Company Registration No. 07648053

WILEYFOX EUROPE LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2016**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-------|--------------------|----------------------------------|----------------|
| Balance at 1 June 2014 | | 1,000 | (2,286,907) | (2,285,907) |
| Year ended 31 May 2015: | | | | |
| Profit and total comprehensive income for the year | | - | 2,191,355 | 2,191,355 |
| | | <hr/> | <hr/> | <hr/> |
| Balance at 31 May 2015 | | 1,000 | (95,552) | (94,552) |
| Year ended 31 May 2016: | | | | |
| Profit and total comprehensive income for the year | | - | 210,112 | 210,112 |
| | | <hr/> | <hr/> | <hr/> |
| Balance at 31 May 2016 | | <u>1,000</u> | <u>114,560</u> | <u>115,560</u> |

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

Company information

Wileyfox Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jubilee House, Townsend Lane, Kingsbury, London, NW9 8TZ.

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 May 2016 are the first financial statements of Wileyfox Europe Limited 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 June 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern. During the year under review, the company has reported an operating loss of £1.5m and reported net current liabilities of £352,206. The company has incurred significant amounts of advertising expenditure during the year due to rebranding and is now successfully selling via Amazon. Based on this, the directors have prepared forecasts showing that the company is expected to be profitable in the foreseeable future. The directors are also of the opinion that sufficient support from the majority shareholders will continue and therefore the company will continue to operate as a going concern with sufficient funds available to meet its liabilities as they fall due.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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.

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.

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 | 5 years straight line |
|---------------------|-----------------------|

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:

| | |
|--------------------------------|-----------------------|
| Fixtures, fittings & equipment | 4 years 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.

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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.

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 and cash equivalents

Cash and cash equivalents 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.

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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.

Other financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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 receipts 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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 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.

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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.

1.12 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.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the 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 4 (2015 - 1).

WILEYFOX EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2016****3 Intangible fixed assets**

| | Website development £ |
|------------------------------------|----------------------------------|
| Cost | |
| At 1 June 2015 | 450,000 |
| Additions - separately acquired | 208,491 |
| | <hr/> |
| At 31 May 2016 | 658,491 |
| | <hr/> |
| Amortisation and impairment | |
| At 1 June 2015 | 90,000 |
| Amortisation charged for the year | 104,904 |
| | <hr/> |
| At 31 May 2016 | 194,904 |
| | <hr/> |
| Carrying amount | |
| At 31 May 2016 | 463,587 |
| | <hr/> <hr/> |
| At 31 May 2015 | 360,000 |
| | <hr/> <hr/> |

4 Tangible fixed assets

| | Fixtures, fittings & equipment £ |
|------------------------------------|---|
| Cost | |
| At 1 June 2015 | 14,002 |
| Additions | 1,516 |
| | <hr/> |
| At 31 May 2016 | 15,518 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 June 2015 | 7,497 |
| Depreciation charged in the year | 3,842 |
| | <hr/> |
| At 31 May 2016 | 11,339 |
| | <hr/> |
| Carrying amount | |
| At 31 May 2016 | 4,179 |
| | <hr/> <hr/> |
| At 31 May 2015 | 6,505 |
| | <hr/> <hr/> |

WILEYFOX EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2016****5 Debtors**

| | 2016 | 2015 |
|---|----------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 12,126 | - |
| Amount due from parent undertaking | - | 1,720,324 |
| Amounts due from fellow group undertakings | 140,922 | - |
| Other debtors | 32,190 | 76,494 |
| Prepayments and accrued income | 4,255 | - |
| | <u>189,493</u> | <u>1,796,818</u> |

6 Creditors: amounts falling due within one year

| | 2016 | 2015 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Trade creditors | 399,317 | 234,557 |
| Amounts due to group undertakings | - | 2,062,523 |
| Other taxation and social security | 81,669 | - |
| Other creditors | 13,442 | - |
| Accruals and deferred income | 49,048 | 10,200 |
| | <u>543,476</u> | <u>2,307,280</u> |

7 Called up share capital

| | 2016 | 2015 |
|-------------------------------|--------------|--------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 1,000 Ordinary of £1 each | <u>1,000</u> | <u>1,000</u> |

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

8 Audit report information

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

The auditor's report was unqualified.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the ability to continue as a going concern. The company incurred an operating loss of £1.5m and reported net current liabilities of £352,206. These conditions along with the other matters explained in note 1.2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was Mr Marc Waterman.

The auditor was UHY Hacker Young.

9 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

Annual rent charge for the office amounting to £44,700

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

10 Related party transactions

Transactions with related parties

Mr Daniel Readman also serves as a director of the following companies:

- Kazam Mobile Limited
- Kazam Online Limited

The following balances are outstanding at the year ended:

- Kazam Mobile was owed £nil (2015: £1,857,243) by the company for the establishment of the brand
- Kazam Online Limited was owed £nil (2015: £205,280) for working capital

During the year, the company sold goods and services to Kazam Mobile Limited amounting to £5,002,063 and purchased goods and services from Kazam Mobile Limited amounting to £920,088. As at the year ended none of these amounts remained outstanding.

No guarantees have been given or received.

11 Parent company

The ultimate parent company is Meridian Capital Partners Limited, a company registered in Isle of Man. The shares in Meridian Capital Partners Limited are held by way of a declaration of trust for Nooreddin Valimahomed, Andrew Collinge and Suresh Radhakrishnan.

12 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

WILEYFOX EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

12 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

| | | At 31 May 2015 | | |
|---------------------------------------|--------------|-----------------------------------|---------------------------------------|----------------------|
| | Notes | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
| Fixed assets | | | | |
| Other intangibles | | 360,000 | - | 360,000 |
| Tangible assets | | 6,505 | - | 6,505 |
| | | <u>366,505</u> | <u>-</u> | <u>366,505</u> |
| Current assets | | | | |
| Stocks | | 45,000 | - | 45,000 |
| Debtors | | 1,751,819 | - | 1,751,819 |
| Bank and cash | | 4,405 | - | 4,405 |
| | | <u>1,801,224</u> | <u>-</u> | <u>1,801,224</u> |
| Creditors due within one year | | | | |
| Taxation | | 44,999 | - | 44,999 |
| Other creditors | (i) | (244,757) | (2,062,523) | (2,307,280) |
| | | <u>(199,758)</u> | <u>(2,062,523)</u> | <u>(2,262,281)</u> |
| Net current liabilities | | 1,601,466 | (2,062,523) | (461,057) |
| Total assets less current liabilities | | <u>1,967,971</u> | <u>(2,062,523)</u> | <u>(94,552)</u> |
| Creditors due after one year | | | | |
| Other creditors | (i) | (2,062,523) | 2,062,523 | - |
| Net assets | | <u>(94,552)</u> | <u>-</u> | <u>(94,552)</u> |
| Capital and reserves | | | | |
| Share capital | | 1,000 | - | 1,000 |
| Profit and loss | | (95,552) | - | (95,552) |
| Total equity | | <u>(94,552)</u> | <u>-</u> | <u>(94,552)</u> |

WILEYFOX EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2016****12 Reconciliations on adoption of FRS 102****(Continued)****Reconciliation of profit for the financial period**

| | | Year ended 31 May 2015 | |
|---------------------------------|--------------|-------------------------------|-------------------|
| | | Previous UK | Effect of |
| | | GAAP | transition |
| | Notes | £ | £ |
| Turnover | | 2,449,856 | - |
| Cost of sales | | (57,512) | - |
| Gross profit | | 2,392,344 | - |
| Administrative expenses | | (200,989) | - |
| Taxation | | - | - |
| Profit for the financial period | | 2,191,355 | - |

Notes to reconciliations on adoption of FRS 102**(i) Intercompany balances**

On transition to FRS 102 the company has assessed the terms of the intercompany balance owed to other group undertakings, Kazam Mobile Limited amounting to £1,857,242.51 and Kazam Online Limited amounting to £205,280.34. The balances remain repayable on demand and were therefore transferred to short term creditors on transition.