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Company registration number: 08050525

**Shoon (Trading) Ltd**

**Financial statements**

**for the year ended 30 January 2016**

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## **Shoon (Trading) Ltd**

### **Company information**

<b>Directors</b>	M Pinnock	(Appointed 17 February 2015)
	K Bartle	(Resigned 17 February 2015)
	P Phillips	(Resigned 9 February 2015)
	S Saunders	(Resigned 17 February 2015)
	J Carroll	(Resigned 17 February 2015)
<b>Company number</b>	08050525	
<b>Business address</b>	Mendip Court Bath Road Wells Somerset BA5 3DG	
<b>Auditors</b>	Webb & Co Limited One New Street Wells Somerset BA5 2LA	
<b>Bankers</b>	Barclays Bank Wells Somerset BA5 2RH	

## **Shoon (Trading) Ltd**

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## **Shoon (Trading) Ltd**

### **Strategic report Year ended 30 January 2016**

#### **Review of Business**

On 18th February 2015 Mark Pinnock became the Managing Director of Shoon (Trading) Ltd, financially supported by TNUI Asset Finance. Mark brings considerable business knowledge and expertise, with many previous successful enterprises in a wide range of industries. TNUI have provided Shoon with a working capital funding facility and have confirmed continuing support into 2017.

Mark and the appointed Management team see Shoon as a well-respected brand with real potential for growth and profitability.

#### **Development and Performance**

We have identified that the high level of overheads are the fundamental reasons behind Shoon turbulent few years, with net profit ratios falling from 13.48% in 2013 to (15.32%) in 2014, (16.0%) in 2015 and increasing in the current year to 4.65%. This gives us the confidence that the cost saving measures implemented during the year have achieved their objectives and will continue to do so moving forward.

The current Management team are focused on delivering sustainable profitability and organic growth. We have already seen strong development of the Mensa and Shoon own-brand ranges, which has added to the core strength of the business.

Trading performance in the current trading year has as with many in the industry seen slower than anticipated demand, with expectations of strong sales over the coming months to conclude the year.

#### **Principal Risks and Uncertainties**

During March 2015, a strategic review was undertaken and highlighted that the cost-base was unsustainable for current turnover levels. Significant cost savings were identified (£1.2m pa) and a restructuring of Shared Services was completed by the end of March. The outsourcing of logistics and warehousing has further reduced the cost-base and added greater flexibility to the business.

In January 2015, a significant value of liabilities were inherited under a new ownership. Shoon (Trading) Ltd entered into a CVA (Company Voluntary Arrangement) on the 22nd May 2015, to manage these liabilities efficiently. By the end of September 2015 all critical creditors (£1.5m) had been cleared and Shoon was able to formally exit the CVA on 13 November 2015. TNUI Asset Finance Ltd continues to support the company.

The current economic environment is challenging. We have instituted measures to preserve cash and secure additional finance to assist with future trading.

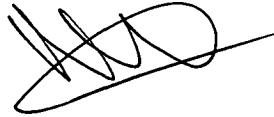
We have a reasonable expectation that the company has adequate resources and cash flows to continue in operational existence for the foreseeable future (being at least for the 12 months from the date of these financial statements). Thus we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Shoon (Trading) Ltd**

**Strategic report (continued)**  
**Year ended 30 January 2016**

This report was approved by the board of directors on and signed on behalf of the board by:

**M Pinnock**  
**Director**



**Dated:**

19 January 2017

## **Shoon (Trading) Ltd**

### **Directors report Year ended 30 January 2016**

The directors present their report and the financial statements of the company for the year ended 30 January 2016.

#### **Directors**

The directors who served the company during the year were as follows:

M Pinnock	(Appointed 17 February 2015)
K Bartle	(Resigned 17 February 2015)
P Phillips	(Resigned 9 February 2015)
S Saunders	(Resigned 17 February 2015)
J Carroll	(Resigned 17 February 2015)

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Financial Instruments**

The Director is responsible for the management of the risks faced by the company. Risks, especially those relating to the operations and finances of the company, are identified, assessed and controls are established on an ongoing basis and reviewed. The Director is satisfied that systems are in place to mitigate exposure to the major risks. The Director and senior managers meet regularly to evaluate and monitor the company's principal risks and uncertainties. The principal risks and uncertainties are broadly grouped as Price risk, cash flow risk, and liquidity risk. Risk assessment covers all areas of the business including operational, financial, compliance, external and governance risk.

#### **Statement of directors responsibilities**

The directors are responsible for preparing the strategic report, 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 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 judgments 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.

**Shoon (Trading) Ltd**

**Directors report (continued)**  
**Year ended 30 January 2016**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors and signed on behalf of the board by:



**M Pinnock**  
**Director**

**Dated:** 19 January 2017

## **Shoon (Trading) Ltd**

### **Independent auditor's report to the shareholders of**

#### **Shoon (Trading) Ltd**

**Year ended 30 January 2016**

We have audited the financial statements of Shoon (Trading) Ltd for the year ended 30 January 2016 which comprise the Profit and loss and retained earnings, Balance sheet, statement of changes in equity, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require Directors responsibilities to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors report and the Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Basis of qualified opinion**

We were appointed as auditors of the company on 3 September 2015 and therefore did not observe the physical counting of stock at the beginning of the year. We were unable to satisfy ourselves by alternative means concerning stock quantities held at 31 January 2015. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statement and the net cash flows from operating activities reported in the cash flow statement.



**Shoon (Trading) Ltd**

**Independent auditor's report to the shareholders of  
Shoon (Trading) Ltd (continued)  
Year ended 30 January 2016**

**Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the directors affairs as at 30 January 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter - Going Concern**

Without qualifying our opinion, we draw attention to note 2 Going Concern in the financial statements which discloses the premise upon which the company has prepared its financial statements by applying the going concern assumption, notwithstanding that the company incurred a pre tax profit during the year ended 30 January 2016 of £314,695 and, as of that date, the company's current liabilities exceeded its total assets by £1,319,442, thereby indicating the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The company exited a company voluntary arrangement on 13 November 2015. The company has the full support of TNUI Asset Finance Ltd. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Opinion on other matter prescribed by the Companies Act 2006**

Notwithstanding our adverse opinion on the financial statements, in our opinion the information given in the Directors report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Barry Davidson ACA FCCA (senior statutory auditor)**



**For and on behalf of Webb & Co Limited**

**Accountants and Business Advisers and**

**Registered Auditors**

**One New Street**

**Wells**

**Somerset**

**BA5 2LA**

**Dated:** 19 January 2017

**Shoon (Trading) Ltd**

**Profit and loss and retained earnings (continued)**  
**Year ended 30 January 2016**

	Note	2016 £	2015 £
<b>Turnover</b>	<b>3</b>	6,771,238	8,541,362
Cost of sales		(3,914,549)	(5,068,718)
<b>Gross profit</b>		<u>2,856,689</u>	<u>3,472,644</u>
Administrative expenses		(3,088,680)	(4,738,056)
CVA creditors written off		807,393	-
<b>Operating profit/(loss)</b>	<b>4</b>	<u>575,402</u>	<u>(1,265,412)</u>
Other interest receivable and similar income	<b>7</b>	163	207
Interest payable and similar charges	<b>8</b>	(260,870)	(115,109)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>314,695</u>	<u>(1,380,314)</u>
Tax on profit/(loss) on ordinary activities	<b>9</b>	1,217	(19,446)
<b>Profit/(loss) for the financial year and total comprehensive income</b>		<u><u>315,912</u></u>	<u><u>(1,399,760)</u></u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

# Shoon (Trading) Ltd

## Balance sheet 30 January 2016

	Note	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	10	5,728		-	
Tangible assets	11	178,543		241,208	
			184,271		241,208
<b>Current assets</b>					
Stocks	12	964,837		978,432	
Debtors	13	270,534		303,427	
Cash at bank and in hand	14	95,059		140,463	
		1,330,430		1,422,322	
<b>Creditors: amounts falling due within one year</b>	15	(927,183)		(1,779,438)	
<b>Net current assets/(liabilities)</b>			403,247		(357,116)
<b>Total assets less current liabilities</b>			587,518		(115,908)
<b>Creditors: amounts falling due after more than one year</b>	16		(1,888,731)		(1,500,000)
<b>Provisions for liabilities</b>	18		(18,229)		(19,446)
<b>Net assets/(liabilities)</b>			(1,319,442)		(1,635,354)
<b>Capital and reserves</b>					
Called up share capital	20		90,000		90,000
Profit and loss account	21		(1,409,442)		(1,725,354)
<b>Shareholders deficit</b>			(1,319,442)		(1,635,354)

These financial statements were approved by the board of directors and authorised for issue and are signed on behalf of the board by:

M Pinnock  
Director



Dated:

19/1/17.

Company registration number: 08050525

The notes on pages 11 to 23 form part of these financial statements.

**Shoon (Trading) Ltd**

**Statement of changes in equity  
Year ended 30 January 2016**

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 February 2014</b>	90,000	(325,594)	(235,594)
Profit/(loss) for the year		(1,399,760)	(1,399,760)
<b>Total comprehensive income for the year</b>	-	(1,399,760)	(1,399,760)
<b>At 31 January 2015 (as previously reported)</b>	90,000	(1,711,354)	(1,621,354)
Effects of changes in accounting policies	-	(14,000)	(14,000)
<b>At 31 January 2015 (restated)</b>	90,000	(1,725,354)	(1,635,354)
Profit/(loss) for the year		315,912	315,912
<b>Total comprehensive income for the year</b>	-	315,912	315,912
<b>At 30 January 2016</b>	90,000	(1,409,442)	(1,319,442)

**Shoon (Trading) Ltd**

**Statement of cash flows**  
**Year ended 30 January 2016**

	<b>Year ended 30/01/16 £</b>	<b>Year ended 31/01/15 £</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	315,912	(1,399,760)
<i>Adjustments for:</i>		
Depreciation of tangible assets	37,513	52,070
Amortisation of intangible assets	16,590	17,173
Other interest receivable and similar income	(163)	(207)
Interest payable and similar charges	260,870	115,109
Gain/(loss) on disposal of tangible assets	(3,700)	2,459
Tax on profit/(loss) on ordinary activities	(1,217)	19,446
Accrued expenses/(income)	(150,086)	151,773
<i>Changes in:</i>		
Stocks	13,595	(223,810)
Trade and other debtors	32,893	116,899
Trade and other creditors	(702,169)	528,202
Cash generated from operations	(179,962)	(620,646)
Interest paid	(260,870)	(115,109)
Interest received	163	207
Net cash used in operating activities	<u>(440,669)</u>	<u>(735,548)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(11,386)	(75,179)
Proceeds from sale of tangible assets	25,080	-
Purchase of intangible assets	(7,160)	-
Net cash from/(used in) investing activities	<u>6,534</u>	<u>(75,179)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	388,731	350,000
Net cash from financing activities	<u>388,731</u>	<u>350,000</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(45,404)	(460,727)
<b>Cash and cash equivalents at beginning of year</b> 14	140,463	601,190
<b>Cash and cash equivalents at end of year</b> 14	<u>95,059</u>	<u>140,463</u>

## **Shoon (Trading) Ltd**

### **Notes to the financial statements Year ended 30 January 2016**

#### **1. Statement of compliance**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland - FRS 102) and the Companies Act 2006.

#### **2. Accounting policies**

##### **Basis of preparation**

Shoon (Trading) Ltd is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office is given in the company information page of these financial statements. The nature of the company's operations and principal activities is that of the retail of footwear.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Going concern**

As described in the strategic report on pages 1-2, the current economic climate pursuant at the period to 30 January 2016 was challenging and the structural costs to Shoon (Trading) Ltd were geared to circa 50 stores, the historical target. The CVA entered into on 22 May 2015 restructured the fixed cost base and delivered a manageable level of overhead. The company was able to formally exit the CVA on 13 November 2015.

The company has prepared its financial statements by applying the going concern assumption, notwithstanding that the company incurred a pre-tax profit during the year ended 30 January 2016 of £314,695 and, as of that date, the company's current liabilities exceed its total assets by £1,319,442, thereby indicating the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern.

However after making enquiries, the directors have a reasonable expectation that the company has adequate resources and cash flows to continue in operational existence for the foreseeable future (being at least for the 12 months from the date of these financial statements). The company has the full support of TNUI Asset Finance Ltd. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Transition to FRS 102**

The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 28.

## **Shoon (Trading) Ltd**

### **Notes to the financial statements (continued) Year ended 30 January 2016**

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

## Shoon (Trading) Ltd

### Notes to the financial statements (continued) Year ended 30 January 2016

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website	-	20% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	Straight line over the life of the lease
Plant and machinery	-	33.3% Straight line
Fittings fixtures and equipment	-	5-10 years Straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.



## Shoon (Trading) Ltd

### Notes to the financial statements (continued) Year ended 30 January 2016

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### Defined contribution plans

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

### 3. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	6,771,238	8,541,362

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**  
**Year ended 30 January 2016**

**4. Operating profit/(loss)**

Operating profit/(loss) is stated after charging/(crediting):

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible assets	16,590	17,173
Depreciation of tangible assets	37,513	52,070
(Gain)/loss on disposal of tangible assets	(3,700)	2,459
Operating lease rentals	898,841	1,508,295
Defined contribution plans expense	17,708	28,274
Fees payable for the audit of the financial statements	8,500	7,987
	<u>          </u>	<u>          </u>

**5. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2016</b>	<b>2015</b>
Distribution staff	121	139
Administrative staff	10	19
	<u>          </u>	<u>          </u>
	131	158
	<u>          </u>	<u>          </u>

The aggregate payroll costs incurred during the year were:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,260,535	1,767,044
Social security costs	71,101	124,830
Other pension costs	17,708	28,274
	<u>          </u>	<u>          </u>
	1,349,344	1,920,148
	<u>          </u>	<u>          </u>

**6. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration	-	190,000
Company contributions to pension schemes in respect of qualifying services	-	15,625
	<u>          </u>	<u>          </u>
	-	205,625
	<u>          </u>	<u>          </u>

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**

**Year ended 30 January 2016**

**7. Other interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank deposits	73	207
Other interest receivable and similar income	90	-
	<u>163</u>	<u>207</u>

**8. Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other interest payable and similar charges	<u>260,870</u>	<u>115,109</u>

**9. Tax on profit/(loss) on ordinary activities**

**Major components of tax (income)/expense**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,217)	19,446
<b>Tax on profit/(loss) on ordinary activities</b>	<u>(1,217)</u>	<u>19,446</u>

**Reconciliation of tax (income)/expense**

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

A reconciliation is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before taxation	<u>314,695</u>	<u>(1,380,314)</u>
Profit/(loss) on ordinary activities by rate of tax	62,939	(276,063)
Effect of expenses not deductible for tax purposes	(13,537)	(25,530)
Effect of capital allowances and depreciation	7,279	4,539
Utilisation of tax losses	(59,115)	-
Unrelieved tax losses	-	335,946
Deferred Tax	1,217	(19,446)
<b>Tax on profit/(loss) on ordinary activities</b>	<u>(1,217)</u>	<u>19,446</u>

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**  
**Year ended 30 January 2016**

**10. Intangible assets**

**Website**

**£**

**Cost**

At 1 February 2015

-

Additions

7,160

**At 30 January 2016**

7,160

**Amortisation**

At 1 February 2015

-

Charge for the year

1,432

**At 30 January 2016**

1,432

**Carrying amount**

**At 30 January 2016**

5,728

**At 31 January 2015**

-

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**  
**Year ended 30 January 2016**

**11. Tangible assets**

	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 February 2015	132,469	33,652	166,189	50,030	382,340
Additions	-	11,386	-	-	11,386
Disposals	(16,567)	-	-	(50,030)	(66,597)
<b>At 30 January 2016</b>	<u>115,902</u>	<u>45,038</u>	<u>166,189</u>	<u>-</u>	<u>327,129</u>
<b>Depreciation</b>					
At 1 February 2015	28,125	20,877	49,744	42,386	141,132
Charge for the year	15,158	13,309	24,204	-	52,671
Disposals	(2,831)	-	-	(42,386)	(45,217)
<b>At 30 January 2016</b>	<u>40,452</u>	<u>34,186</u>	<u>73,948</u>	<u>-</u>	<u>148,586</u>
<b>Carrying amount</b>					
<b>At 30 January 2016</b>	<u>75,450</u>	<u>10,852</u>	<u>92,241</u>	<u>-</u>	<u>178,543</u>
At 31 January 2015	<u>104,344</u>	<u>12,775</u>	<u>116,445</u>	<u>7,644</u>	<u>241,208</u>

**12. Stocks**

	2016 £	2015 £
Finished goods	<u>964,837</u>	<u>978,432</u>

Stocks with a net book value of £964,837 (2015 £978,432) have been pledged as security for liabilities of the company.

**13. Debtors**

	2016 £	2015 £
Trade debtors	111,016	120,773
Prepayments and accrued income	151,518	182,654
Other debtors	8,000	-
	<u>270,534</u>	<u>303,427</u>

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**  
**Year ended 30 January 2016**

**14. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	95,059	140,463
	<u>          </u>	<u>          </u>

**15. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	473,430	815,747
Accruals and deferred income	262,718	412,804
Social security and other taxes	170,854	507,190
Other creditors	20,181	43,697
	<u>927,183</u>	<u>1,779,438</u>

**16. Creditors: amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other creditors	1,888,731	1,500,000
	<u>          </u>	<u>          </u>

Loans totalling £1,888,731 (31 January 2015: £1,500,000) are secured by a debenture over all the assets and undertakings of the company.

**17. Deferred tax**

The deferred tax included in the Balance sheet is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Included in provisions (note 18)	18,229	19,446
	<u>          </u>	<u>          </u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	18,229	19,446
	<u>          </u>	<u>          </u>

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**  
**Year ended 30 January 2016**

**18. Provisions**

	<b>Deferred tax (note 17)</b>
	<b>£</b>
<b>At 1 February 2015</b>	19,446
Charges against provision	(1,217)
<b>At 30 January 2016</b>	<u>18,229</u>

**19. Employee benefits**

**Defined contribution plans**

The amount recognised in profit or loss in relation to defined contribution plans was £17,708 (2015:£28,274).

**20. Called up share capital**  
**Issued, called up and fully paid**

	<b>2016</b>		<b>2015</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary A shares shares of £ 1.00 each	40,000	40,000	40,000	40,000
Ordinary B shares shares of £ 1.00 each	50,000	50,000	50,000	50,000
	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

**21. Reserves**

Profit and loss account:

This reserve records retained earnings and accumulated losses.

**22. Analysis of changes in net debt**

	<b>At 1 Cash flows February 2015</b>		<b>At 30 January 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	140,463	(45,404)	95,059
Debt due after one year	(1,500,000)	(388,731)	(1,888,731)
	<u>(1,359,537)</u>	<u>(434,135)</u>	<u>(1,793,672)</u>

**Shoon (Trading) Ltd**

**Notes to the financial statements (continued)**  
**Year ended 30 January 2016**

**23. Reconciliation of net cash flow to movement in net debt**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Decrease in cash and cash equivalents in the year	(45,404)	(460,727)
Proceeds from borrowings	(388,731)	(350,000)
Change in net debt	(434,135)	(810,727)
<b>Net debt at 1 February 2015</b>	<b>(1,359,537)</b>	<b>(548,810)</b>
<b>Net debt at 30 January 2016</b>	<b>(1,793,672)</b>	<b>(1,359,537)</b>

**24. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Year ended 30/01/16 £</b>	<b>Year ended 31/01/15 £</b>
Not later than 1 year	649,175	927,229
Later than 1 year and not later than 5 years	894,347	1,607,559
Later than 5 years	350,000	750,750
	<b>1,893,522</b>	<b>3,285,538</b>



# Shoon (Trading) Ltd

## Notes to the financial statements (continued)

Year ended 30 January 2016

### 25. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	Advances/(credits) to the directors		Amounts repaid		Balance outstanding	
	Year ended 30/01/16	Year ended 31/01/15	Year ended 30/01/16	Year ended 31/01/15	Year ended 30/01/16	Year ended 31/01/15
	£	£	£	£	£	£
M Pinnock	8,000	-	-	-	8,000	-

Interest was charged on the overdrawn balance at 3%.

### 26. Related party transactions

Administrative expenses include accrued consultancy charges of £92,500 paid to Madasco Ltd which is an entity controlled by Mark Pinnock who is a director of Shoon (Trading) Ltd, it also includes £2,188 (2015 £52,500) payable to Buckingham Consultants, an entity controlled by Kenneth Bartle who was a director of Shoon (Trading) Ltd during the year, and £2,083 (2015 £77,500) payable to Border Agencies Ltd, an entity controlled by Peter Phillips who was also a director of Shoon (Trading) Ltd during the year.

### 27. Controlling party

The ultimate parent company and ultimate controlling party during the period was Shoon (Holdings) Limited, a company registered and incorporated in England and Wales. Copies of the financial statements can be obtained from Mendip Court, Bath Road, Wells, Somerset, BA5 3DG.

On 18th February 2015, Mark Pinnock acquired 100% of the share capital in Shoon (Holdings) Limited and therefore became the entity's controlling party.

# Shoon (Trading) Ltd

## Notes to the financial statements (continued) Year ended 30 January 2016

### 28. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 February 2014.

#### Reconciliation of equity

	At 1 February 2014			At 31 January 2015		
	Previously stated	Effect of transition	FRS 102 (restated)	Previously stated	Effect of transition	FRS 102 (restated)
	£	£	£	£	£	£
Fixed assets	237,731	-	237,731	241,208	-	241,208
Current assets	1,776,138	-	1,776,138	1,422,322	-	1,422,322
Creditors amounts falling due within 1 year	(1,099,463)	-	(1,099,463)	(1,765,438)	(14,000)	(1,779,438)
Net current assets/(liabilities)	676,675	-	676,675	(343,116)	(14,000)	(357,116)
Total assets less current liabilities	914,406	-	914,406	(101,908)	(14,000)	(115,908)
Creditors amounts falling due after more than 1 year	(1,150,000)	-	(1,150,000)	(1,500,000)	-	(1,500,000)
Provisions for liabilities	-	-	-	(19,446)	-	(19,446)
Net assets/(liabilities)	(235,594)	-	(235,594)	(1,621,354)	(14,000)	(1,635,354)
Equity	(235,592)	-	(235,592)	(1,621,354)	(14,000)	(1,635,354)

#### Reconciliation of profit or loss for the year

	At 31 January 2015		
	Previously stated	Effect of transition	FRS 102 (restated)
	£	£	£
Turnover	8,541,362	-	8,541,362
Cost of sales	(5,068,718)	-	(5,068,718)
Gross profit	3,472,644	-	3,472,644
Administrative expenses	(4,724,056)	(14,000)	(4,738,056)
Operating profit/(loss)	(1,251,412)	(14,000)	(1,265,412)
Other interest receivable and similar income	207	-	207
Interest payable and similar charges	(115,109)	-	(115,109)
Tax on ordinary activities	(19,446)	-	(19,446)
Profit/(loss) on ordinary activities after taxation	(1,385,760)	(14,000)	(1,399,760)
Profit/(loss) for the financial year	(1,385,760)	(14,000)	(1,399,760)

**Shoon (Trading) Ltd**

**Detailed income statement  
Year ended 30 January 2016**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Sales	6,771,238	8,541,362
	<u>6,771,238</u>	<u>8,541,362</u>
<b>Cost of sales</b>		
Purchases	3,633,353	4,736,708
Commissions payable	281,196	332,010
	<u>3,914,549</u>	<u>5,068,718</u>
	<u>3,914,549</u>	<u>5,068,718</u>
<b>Gross profit</b>	<u>2,856,689</u>	<u>3,472,644</u>
<b>Gross profit percentage</b>	42.2%	40.7%
<b>Overheads</b>		
Administrative expenses	2,281,287	4,738,056
	<u>2,281,287</u>	<u>4,738,056</u>
<b>Operating profit/(loss)</b>	575,402	(1,265,412)
<b>Operating profit/(loss) percentage</b>	8.5%	(14.8)%
Other interest receivable and similar income	163	207
Interest payable and similar charges	(260,870)	(115,109)
<b>Profit/(loss) on ordinary activities before taxation</b>	<u><u>314,695</u></u>	<u><u>(1,380,314)</u></u>

# Shoon (Trading) Ltd

## Detailed income statement (continued) Year ended 30 January 2016

	2016 £	2015 £
<b>Overheads</b>		
<b>Administrative expenses</b>		
Wages and salaries	1,260,535	1,577,044
Directors' remuneration	-	190,000
Employer's NI contributions	71,101	124,830
Directors pension costs	-	15,625
Staff pension costs	17,708	12,649
Staff training	-	5,004
Employee private health care	2,414	3,092
Carriage	166,211	294,978
Rent and rates	898,841	1,508,295
Storage	64,918	-
Insurance	39,028	41,759
Light and heat	42,524	60,107
Cleaning	12,035	12,976
Repairs and maintenance	12,019	46,320
Printing, postage and stationery	7,423	12,043
Advertising	43,782	218,974
Contract maintenance	64,307	79,980
Telephone	36,480	30,959
Hire of equipment	13,065	11,738
Motor expenses	3,864	12,365
Travelling and entertainment	37,983	81,418
Legal and professional	25,436	158,295
Consultancy fees	131,875	23,500
Auditors remuneration	8,500	7,987
Bank charges	7,259	16,446
Credit card charges	58,660	87,415
Canteen	400	668
Staff welfare	3,256	22,072
General expenses	4,263	4,948
Charitable donations - other	50	-
Subscriptions	4,340	4,867
CVA creditors written off	(807,393)	-
Amortisation on long leasehold	15,158	17,173
Amortisation of intangible asset	1,432	-
Depreciation on plant and machinery	13,309	11,206
Depreciation on fixtures and equipment	24,204	24,204
Depreciation on motor vehicles	-	16,660
(Gain)/loss on disposal of tangible assets	(3,700)	2,459
	<u>2,281,287</u>	<u>4,738,056</u>