

Registered number: 01760685

SHUBETTE GROUP OF COMPANIES LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 SEPTEMBER 2017

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SHUBETTE GROUP OF COMPANIES LIMITED
REGISTERED NUMBER: 01760685

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	-	-
Tangible assets	6	2,158,931	2,214,847
Investments	5	143	-
Debtors: amounts falling due after more than one year	8	507,437	7,580
		<u>2,666,511</u>	<u>2,222,427</u>
Current assets			
Stocks	7	2,278,454	2,150,343
Debtors: amounts falling due within one year	8	2,043,248	2,517,846
Cash at bank and in hand	9	2,685,283	2,813,337
		<u>7,006,985</u>	<u>7,481,526</u>
Creditors: amounts falling due within one year	10	(1,212,248)	(1,246,313)
Net current assets		<u>5,794,737</u>	<u>6,235,213</u>
Net assets		<u><u>8,461,248</u></u>	<u><u>8,457,640</u></u>
Capital and reserves			
Called up share capital		1,100,000	1,100,000
Other reserves	13	135,298	135,298
Profit and loss account	13	7,225,950	7,222,342
		<u><u>8,461,248</u></u>	<u><u>8,457,640</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

SHUBETTE GROUP OF COMPANIES LIMITED
REGISTERED NUMBER: 01760685

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G B Offenbach
Director

Date: 28th February 2018



M J Offenbach
Director

Date: 28th February 2018

The notes on pages 7 to 21 form part of these financial statements.

SHUBETTE GROUP OF COMPANIES LIMITED
REGISTERED NUMBER: 01760685

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	5	1,823,392	1,823,392
		<u>1,823,392</u>	<u>1,823,392</u>
Current assets			
Debtors: amounts falling due within one year	8	4,575,703	3,974,093
Cash at bank and in hand	9	1,700,797	2,405,996
		<u>6,276,500</u>	<u>6,380,089</u>
Creditors: amounts falling due within one year	10	(33,893)	(39,657)
Net current assets		<u>6,242,607</u>	<u>6,340,432</u>
Net assets		<u><u>8,065,999</u></u>	<u><u>8,163,824</u></u>
Capital and reserves			
Called up share capital		1,100,000	1,100,000
Profit and loss account	13	6,965,999	7,063,824
		<u><u>8,065,999</u></u>	<u><u>8,163,824</u></u>

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G B Offenbach
Director

Date: 28th February 2018



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Director

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The notes on pages 7 to 21 form part of these financial statements.

SHUBETTE GROUP OF COMPANIES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2015	1,100,000	135,298	6,892,861	8,128,159
Profit for the year	-	-	329,481	329,481
At 1 October 2016	1,100,000	135,298	7,222,342	8,457,640
Profit for the year	-	-	3,608	3,608
At 30 September 2017	1,100,000	135,298	7,225,950	8,461,248

SHUBETTE GROUP OF COMPANIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2015	1,100,000	7,154,952	8,254,952
Loss for the year	-	(91,128)	(91,128)
At 1 October 2016	1,100,000	7,063,824	8,163,824
Loss for the year	-	(97,825)	(97,825)
At 30 September 2017	1,100,000	6,965,999	8,065,999

SHUBETTE GROUP OF COMPANIES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,608	329,481
Adjustments for:		
Depreciation of tangible assets	65,516	69,670
Interest payable	98,007	113,096
Interest receivable	(3,866)	(20,205)
Taxation charge	30,567	228,245
Increase in stocks	(128,111)	(99,264)
(Increase)/decrease in debtors	(25,259)	336,488
Increase in creditors	74,969	100,946
Corporation tax paid	(139,601)	(60,702)
Impairments and losses on disposal of investments	-	44,587
Net cash generated from operating activities	<u>(24,170)</u>	<u>1,042,342</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,600)	(3,480)
Purchase of unlisted and other investments	(143)	-
Interest received	3,866	20,205
Net cash from investing activities	<u>(5,877)</u>	<u>16,725</u>
Cash flows from financing activities		
Repayment of loans	-	(200,000)
Interest paid	(98,007)	(113,096)
Net cash used in financing activities	<u>(98,007)</u>	<u>(313,096)</u>
Net (decrease)/increase in cash and cash equivalents	(128,054)	745,971
Cash and cash equivalents at beginning of year	2,813,337	2,067,366
Cash and cash equivalents at the end of year	<u>2,685,283</u>	<u>2,813,337</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,685,283	2,813,337
	<u>2,685,283</u>	<u>2,813,337</u>

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

Shubette Group of Companies Limited ('the Company') is a private company limited by shares and is incorporated and domiciled in England. The address of the Company's registered office and principal place of business is Shubette House, 2 Apsley Way, London, NW2 7HF.

The Company's principal activity is that of an investment holding company and in conjunction with its subsidiaries (together 'the Group') operates in the fashion industry, specifically the design, manufacture and distribution of contemporary and modern ladies occasion wear, on an international scale with primary customers located in the UK and Europe.

The Group meets its day-to-day working capital requirements through its bank facilities and management of its trade receivables and payables. The current market in which the Group trades creates uncertainties over the level of demand for the Group's services and the retention of key talent and customers to fellow competitors.

The directors having reviewed the Company's and its consolidated Group's forecasts and projections, taking into account possible changes in trading performance, determine that the Company and its undertakings will be able to operate within the level of its current facilities and have a reasonable expectation that the Group has, available at its disposal, adequate resources to continue in operational existence for the foreseeable future.

While there will always remain inherent uncertainty, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company and its Group to continue as a going concern and therefore consider it appropriate to continue to adopt the going concern basis in preparing the Company's individual and consolidated Group financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations by applying the share of net assets principle under the acquisition method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages, the cost is the consideration at the date of each transaction. Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measureable or; contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.4 Revenue

Turnover comprises amounts receivable by the Group for the following revenue streams

- sales of own-brand and private-label clothing;
- rental income receivable; and
- sales of properties held as stock.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the following bases:

Freehold property	-	2.0% straight line method
Plant & machinery	-	15.0% reducing balance method
Motor vehicles	-	20.0% reducing balance method
Fixtures & fittings	-	15.0% reducing balance method
Computer equipment	-	33.3% reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial instruments are derecognised when either;

- the contractual rights to the cash flows expire or are settled, or;
- substantially all the risks and rewards of ownership are transferred to another party; or;
- despite having retained some significant risks and rewards of ownership, control has been to another party who has the practical ability to unilaterally trade the instrument to an unrelated third party without imposing additional restrictions.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Ordinary share capital and dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new Ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend income is recognised when the right to receive payment is established.

Dividend distributions to the Group's shareholders are recognised as a liability in the respective Company's financial statements in the period in which the dividends are approved by the respective Company's shareholders.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. These amounts are recognised in the statement of changes in equity.

2.13 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.15 Employee benefits

The Group provides a range of benefits to employees, including staff loans, bonus payments, paid holiday arrangements and defined contribution pension plans.

Staff loans

- Staff loans, provided on a case by case basis, are recognised as an asset in the period in which the loan was provided and are initially recognised either at the undiscounted amount of consideration expected to be received, when receivable within one year or have no fixed date of repayment and are repayable on demand; or when constituting a financing transaction, at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method, less any impairment.

Short term benefits

- Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

- The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Contributions to personal pension plans

- The Group makes contributions to the personal pension schemes of employees. An expense (i.e. a pension charge) is recognised when the Group has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

Bonus payments

- The Group makes bonus payments to employees. An expense is recognised in the consolidated statement of comprehensive income when the Group has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

2.16 Provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the consolidated statement of financial position.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Although the expected outcome of said estimates and assumptions will, by definition, seldom equal the related actual results; estimates and judgments made are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the Group's accounting policies

There are no critical judgments made in applying the Group's accounting policies.

Critical accounting estimates and assumptions

The estimates and assumptions that are considered as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Depreciation of tangible assets

- The useful lives of assets and residual values of tangible assets are estimated by the directors based on general consensus taking into account a number of factors such as technological innovation, product life cycles, maintenance programs and projected disposal values.

Impairment of stocks

- When assessing stock impairment, the directors consider the nature and condition of stocks held; and taking into account current and expected market activity, the likelihood of future sale and whether the current carrying value exceeds the expected net sales value.

Impairment of trade receivables

- When assessing the recoverable value of trade receivables, the directors consider a variety of factors including the ageing profile of the debt, historical and market experience with the customer and the quality of communications to date.

4. Employees

The average monthly number of employees, including directors, during the year was 37 (2016 - 37).

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

5. Fixed asset investments

Group

	Unlisted investments £
Cost or valuation	
At 1 October 2016	44,587
Additions	143
At 30 September 2017	<u>44,730</u>
Impairment	
At 1 October 2016	<u>44,587</u>
At 30 September 2017	<u>44,587</u>
Net book value	
At 30 September 2017	<u>143</u>
At 30 September 2016	<u>-</u>

Company

	Shares in group undertakings £
Cost or valuation	
At 1 October 2016	<u>1,823,392</u>
At 30 September 2017	<u>1,823,392</u>
Net book value	
At 30 September 2017	<u>1,823,392</u>
At 30 September 2016	<u>1,823,392</u>

SHUBETTE GROUP OF COMPANIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

6. Tangible fixed assets

Group

	Land and buildings £	Plant & machinery £	Fixtures, fittings, computer equipment and motor vehicles £	Total £
Cost or valuation				
At 1 October 2016	2,452,170	67,037	478,114	2,997,321
Additions	-	-	9,600	9,600
At 30 September 2017	<u>2,452,170</u>	<u>67,037</u>	<u>487,714</u>	<u>3,006,921</u>
Depreciation				
At 1 October 2016	318,764	61,073	402,637	782,474
Charge for the year on owned assets	49,040	895	15,581	65,516
At 30 September 2017	<u>367,804</u>	<u>61,968</u>	<u>418,218</u>	<u>847,990</u>
Net book value				
At 30 September 2017	<u>2,084,366</u>	<u>5,069</u>	<u>69,496</u>	<u>2,158,931</u>
At 30 September 2016	<u>2,133,406</u>	<u>5,964</u>	<u>75,477</u>	<u>2,214,847</u>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold property	<u>2,084,366</u>	<u>2,133,406</u>

Company

The Company held no tangible fixed assets during the year ended 30 September 2017 nor the preceding financial reporting period.

SHUBETTE GROUP OF COMPANIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

7. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished clothing goods	766,844	662,700	-	-
Fabrics, consumables and work in progress	406,283	382,316	-	-
Property stocks	1,105,327	1,105,327	-	-
	<u>2,278,454</u>	<u>2,150,343</u>	<u>-</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £4,117,335 (2016 - £3,815,596).

8. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Due from participating interests	499,857	-	-	-
Deferred tax asset	7,580	7,580	-	-
	<u>507,437</u>	<u>7,580</u>	<u>-</u>	<u>-</u>

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due within one year				
Trade debtors	1,629,825	2,013,948	-	-
Amounts owed by group undertakings	-	-	4,210,545	3,534,596
Other debtors	297,584	311,436	291,700	294,095
Prepayments and accrued income	42,381	50,180	-	3,120
Tax recoverable	73,458	142,282	73,458	142,282
	<u>2,043,248</u>	<u>2,517,846</u>	<u>4,575,703</u>	<u>3,974,093</u>

Company

Amounts owed by group undertakings are interest-free, have no fixed date of repayment and are repayable on demand.

Amounts owed by group undertakings totalling £4,210,545 (2016: £nil) are secured by a fixed and floating charge over all present and future assets of the respective group undertaking. All other amounts owed by group undertakings are unsecured.

SHUBETTE GROUP OF COMPANIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

9. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	2,685,283	2,813,337	1,700,797	2,405,996

10. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	537,304	478,910	-	-
Corporation tax	39,619	148,653	-	-
Other taxation and social security	120,232	163,679	-	-
Other creditors	50,512	41,255	20,031	28,766
Accruals and deferred income	464,581	413,816	13,862	10,891
	<u>1,212,248</u>	<u>1,246,313</u>	<u>33,893</u>	<u>39,657</u>

11. Financial instruments

Other than amounts held as cash at bank and in hand, measured at fair value through profit and loss and disclosed in note 9 of these financial statements; the Company and its Group held no financial instruments reportable under Financial Reporting Standard 102.

12. Deferred taxation

Group

	2017 £
At beginning of reporting period	7,580
Credited to profit and loss	-
At end of reporting period	<u><u>7,580</u></u>

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	Group 2017 £
Other timing differences	7,580

Deferred tax assets of £nil in respect of other timing differences are expected to reverse in the following financial reporting period.

13. Reserves

Other reserves

Group

Other reserves of £135,298 (2016: £135,298) represent the differences in valuation bases of investments in subsidiaries and consideration payable on consolidation.

Company

The Company held no amounts in other reserves during either the current or preceding financial reporting periods.

Profit & loss account

Group and Company

The profit and loss account of £7,225,950 (2016: £7,222,342) in respect of the Group and £6,965,999 (2016: £7,063,824) in respect of the Company comprises of current and prior reporting period profits and losses.

14. Pension commitments

The Group operates a defined contribution pension scheme for all qualifying employees and makes lump sum contributions to the personal pension schemes of certain employees. The assets of the relevant schemes are held separately from those of the Group in independently administered funds.

The pension cost charge represents contributions payable by the Group to the respective funds in the reporting period and for the reporting period under review amounted to £15,193 (2016: £15,436).

Contributions payable totalling £2,165 (2016: £1,783) were outstanding at the reporting date and are included in creditors falling due within one year.

SHUBETTE GROUP OF COMPANIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

15. Commitments under operating leases

Group

As at the reporting date, the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	4,503	11,829
Later than 1 year and not later than 5 years	2,251	14,727
	<u>6,754</u>	<u>26,556</u>

Company

The Company had no commitments under non-cancellable operating leases as at the reporting date for both current and preceding financial reporting periods.

16. Related party transactions

Key management personnel

The directors are recognised as being key management personnel of both the Company and the Group as a whole. It is these individuals whom together hold joint responsibility for planning, directing and controlling the activities of the Company and its subsidiary undertakings.

Gross remuneration of £211,255 (2016: £253,590) was payable by the Group, of which £nil (2016: £nil) was payable by the Company, to key management personnel during the reporting period.

During the year G B Offenbach, C D Offenbach and J Kulukundis, the daughter of G B Offenbach, maintained unsecured loan accounts with the Group. The loan accounts are repayable on demand and have no fixed date of repayment. Interest, at LIBOR plus 3% per annum, is payable by the Group on amounts owed towards each respective loan account.

Amounts due from the Group as at the reporting date and interest payable by the Group during the reporting period towards the respective loan accounts were as follows:

- G B Offenbach: £9,574 and £74,761 (2016: £491 and £82,792);
- C D Offenbach: £9,881 and £1,538 (2016: £27,699 and £3,266);
- J Kulukundis: £576 and £18 (2016: £576 and £20)

Transactions between group undertakings

The Group has taken advantage of the exemptions given in section 33 of FRS 102 from the requirement to disclose transactions undertaken or balances carried forward as at the reporting date between the Company and/or its subsidiary undertakings on the grounds that together they form a wholly-owned group. Outstanding balances with the Company's wholly-owned subsidiaries are disclosed within notes 8 and 10.

SHUBETTE GROUP OF COMPANIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Controlling party

The Company along with its subsidiary undertakings are jointly controlled by G B Offenbach and M J Offenbach.

18. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2017 was unqualified.

The audit report was signed on *29th January 2018* by Richard Paul (senior statutory auditor) on behalf of Nyman Libson Paul.