

Registered number: 03433253

ROOT 6 LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018



ROOT 6 LIMITED
REGISTERED NUMBER: 03433253

BALANCE SHEET
AS AT 31 MAY 2018

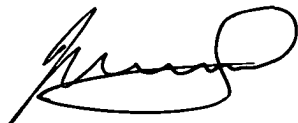
	Note	Year ended 31 May 2018 £000	4 months ended 31 May 2017 £000
Fixed assets			
Tangible assets	2	13	-
Current assets			
Stocks	3	5	-
Debtors	4	415	738
Cash at bank and in hand		56	-
		<u>476</u>	<u>738</u>
Creditors: amounts falling due within one year	5	<u>(439)</u>	<u>(615)</u>
Net current assets		37	123
Net assets		<u>50</u>	<u>123</u>
Capital and reserves			
Called up share capital	6	7	7
Capital redemption reserve		3	3
Profit and loss account		40	113
		<u>50</u>	<u>123</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 profit and loss account 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:



J R Hughes ACA
Director

Date: 8 November 2018

The notes on pages 2 to 7 form part of these financial statements.

ROOT 6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Root 6 Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in sterling (£) which is the functional currency of the company and are for the 12 month period ended 31 May 2018 (2017: 4 months ended 31 May 2017).

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 United Kingdom and the Republic of Ireland, including section 1A of FRS 102 and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and that 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 company has transferred the significant risks and rewards of ownership to the buyer;
- the company 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 company 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.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Grant income

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

ROOT 6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018

1. Accounting policies (continued)

1.4 Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

1.5 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 straight-line method.

Depreciation is provided on the following basis:

Office & computer equipment	-	33% straight line
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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 profit and loss account.

At each balance sheet date, the group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet 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 profit or loss.

ROOT 6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018

1. Accounting policies (continued)

1.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

1.8 Foreign currency translation

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 profit and loss account.

1.9 Operating leases

Rentals paid under operating leases are charged to the profit or loss account on a straight line basis over the period of the lease.

1.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company 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 profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

ROOT 6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018

1. Accounting policies (continued)

1.12 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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 calculated 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.

1.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2. Tangible fixed assets

	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 June 2017	1	-	1
Additions	-	15	15
Disposals	(1)	-	(1)
At 31 May 2018	-	15	15
Depreciation			
At 1 June 2017	1	-	1
Charge for the period on financed assets	-	2	2
Disposals	(1)	-	(1)
At 31 May 2018	-	2	2
Net book value			
At 31 May 2018	-	13	13
At 31 May 2017	-	-	-

ROOT 6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018

3. Stocks

	2018 £000	2017 £000
Goods for resale	5	-

4. Debtors

	Year ended 31 May 2018 £000	4 months ended 31 May 2017 £000
Trade debtors	110	208
Amounts owed by group undertakings	157	454
Other debtors & prepayments	148	73
Deferred taxation	-	3
	415	738

5. Creditors: Amounts falling due within one year

	Year ended 31 May 2018 £000	4 months ended 31 May 2017 £000
Trade creditors	79	68
Corporation tax	-	7
Other taxation and social security	26	218
Other creditors	8	151
Accruals and deferred income	326	171
	439	615

6. Share capital

	Year ended 31 May 2018 £000	4 months ended 31 May 2017 £000
Allotted, called up and fully paid		
7,350 Ordinary shares shares of £1 each	7	7

ROOT 6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2018

7. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £70,000 (2017: £73,000). There were £5,000 (2017: £20,000) contributions payable to the fund at the balance sheet date, which is included within creditors.

8. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publically available, the company has taken advantage of the FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

9. Ultimate parent undertaking

The immediate parent undertaking is Root 6 Holdings Limited, and the ultimate parent undertaking is now The Insanely Great Company Limited following its acquisition of the group of which the company is a member during the year. Both companies are registered in England and Wales. The ultimate controlling party is Alcuin GP IV LLP as a result of its majority shareholding in the company.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Insanely Great Company Limited. Consolidated accounts are available from Companies House, Cardiff, CF24 3UZ.

10. Auditor's information

As the profit and loss account 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.

The auditor was PKF Cooper Parry Group Limited.

Peter Sterling signed the auditor's report as senior statutory auditor.