Company Registration No. 03670877 (England and Wales)

MOKARABIA LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PAGES FOR FILING WITH REGISTRAR

MOKARABIA LIMITED

CONTENTS

MOKARABIA LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 as restated £	2017 as restated £
Fixed assets					
Intangible assets	3		3,685,739		3,691,989
Tangible assets	4		113,535		163,157
Investments	5		49,431		49,431
			3,848,705		3,904,577
Current assets					
Stocks		92,900		94,508	
Debtors	6	1,084,519		975,851	
Cash at bank and in hand		46,982		4,494	
		1,224,401		1,074,853	
Creditors: amounts falling due within one year	7	(520,506)		(630,030)	
Net current assets			703,895		444,823
Total assets less current liabilities			4,552,600		4,349,400
Creditors: amounts falling due after more than one year	8		(3,983,079)		(3,690,244)
Net assets			569,521		659,156
Capital and reserves					
Called up share capital	9		3,155,000		3,155,000
Share premium account			2,787,542		2,787,542
Profit and loss reserves			(5,373,021)		(5,283,386)
Total equity			569,521		659,156

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

MOKARABIA LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 7 October 2019 and are signed on its behalf by:

Mr M Zanetti
Director

Company Registration No. 03670877

MOKARABIA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 31 December 2017:				
Balance at 1 January 2017	3,155,000	2,787,542	(5,085,512)	857,030
As restated	3,155,000	2,787,542	(5,085,512)	857,030
Year ended 31 December 2017:				
Loss and total comprehensive income for the year	-	-	(197,874)	(197,874)
Balance at 31 December 2017	3,155,000	2,787,542	(5,283,386)	659,156
Year ended 31 December 2018:				
Loss and total comprehensive income for the year	-	-	(89,635)	(89,635)
Balance at 31 December 2018	3,155,000	2,787,542	(5,373,021)	569,521

1 Accounting policies

Company information

Mokarabia Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1, Moor Mead Road, St Margarets Business Centre, Twickenham, Middlesex, TW1 1JS.

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 a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

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.

1.3 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.

The following assets are not amortised as the company is expected to experience the economic benefits of the assets on an ongoing basis:

Trademarks	0%

The directors understand that this policy is in contravention of FRS102 which states that such assets should have an identifiable useful life and should be amortised on this basis. Where an entity is unable to make a reliable estimate of the asset's useful life, they should be amortised over 10 years.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	over 5 to 10 years
Fixtures and fittings	15% on reducing balance
Computers	over 3 years
Motor vehicles	25% on reducing balance

1 Accounting policies **(Continued)**

1.5 Fixed asset investments

Interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks.

1 Accounting policies (Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

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.

1 Accounting policies **(Continued)**

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.

1.11 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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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 8 (2017 - 8).

3 Intangible fixed assets

	Trademarks
	£
Cost	
At 1 January 2018	3,691,989
Transfers	(6,250)
At 31 December 2018	3,685,739
Amortisation and impairment	
At 1 January 2018 and 31 December 2018	-
Carrying amount	
At 31 December 2018	3,685,739
At 31 December 2017	3,691,989

Intangible assets contain trademarks, which under FRS102 should be written off over their useful lives. The directors believe that these trademarks will continue to be renewed in the foreseeable future and that the company will continue to experience economic benefits from them in the long term. The directors therefore feel that it would not be appropriate to amoritise these assets.

4 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2018 and 31 December 2018	475,487	26,069	615,946	15,179	1,132,681
Depreciation and impairment					
At 1 January 2018	319,419	23,810	612,739	13,556	969,524
Depreciation charged in the year	47,267	370	1,579	406	49,622
At 31 December 2018	366,686	24,180	614,318	13,962	1,019,146
Carrying amount					
At 31 December 2018	108,801	1,889	1,628	1,217	113,535
At 31 December 2017	156,068	2,259	3,207	1,623	163,157

5 Fixed asset investments

	2018	2017
	£	£
Investments	49,431	49,431

6 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	217,591	108,777
Amounts owed by group undertakings	764,845	809,780
Other debtors	102,083	57,294
	1,084,519	975,851

7 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Amounts due to group undertakings		342,280	432,985
Trade creditors		34,512	24,493
Other taxation and social security		4,712	14,936
Other creditors		89,629	69,910
Accruals and deferred income		49,373	87,706
		520,506	630,030

8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	3,983,079	3,690,244

9 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
3,155,000 Ordinary shares of £1 each	3,155,000	3,155,000
	3,155,000	3,155,000

10 Events after balance sheet date

On 30 September 2019, £2,845,000 of the loan with the company's parent entity was converted to share capital.

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	-	26,500

12 Related party transactions

At the reporting date, the company owed £65,370 (2017: £68,954) to the directors of the company.

13 Prior period adjustment

Reconciliation of changes in equity

	Notes	1 January 2017	31 December 2017
		£	£
Equity as previously reported		857,030	786,307
Adjustments to prior year			
Cost of sales adjustment	(a)	-	(127,151)
Equity as adjusted		857,030	659,156

13 Prior period adjustment **(Continued)**

Reconciliation of changes in loss for the previous financial period

	Notes	2017 £
Loss as previously reported		(70,723)
Adjustments to prior year		
Cost of sales adjustment	(a)	(127,151)
Loss as adjusted		(197,874)

Notes to reconciliation

(a) During the preparation of the 2018 accounts, management discovered direct costs posted in the year that related to the prior year. A prior year adjustment of £127,151 has therefore been made and the 2017 accounts are restated.