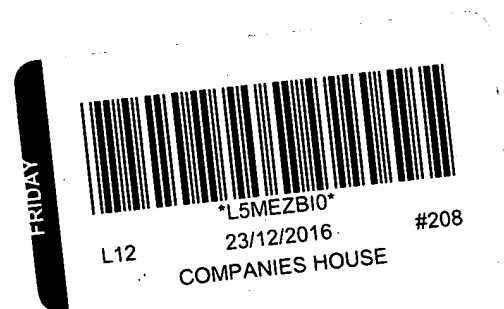


COMPANY REGISTRATION NUMBER: 03703075

**Native Design Limited**  
**Abbreviated Financial Statements**  
**31 March 2016**



**SHAW WALLACE**  
Chartered accountant  
43 Manchester Street  
London  
W1U 7LP

**Native Design Limited**  
**Abbreviated Financial Statements**  
**Year ended 31 March 2016**

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# **Native Design Limited**

## **Strategic Report**

**Year ended 31 March 2016**

The company's principal activity is that of industrial and interaction design consultancy.

The company has one overseas branch in Holland.

The directors consider the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the company as a whole.

The company has achieved a satisfactory result for the financial year. Turnover has grown by 22%. Gross profit margin has decreased, 2016: 54% (2015: 61%), net profit margin has also decreased 2016: 28% (2015: 32%). The directors maintain a high level of asset cover to ensure the long term financial stability of the company.

Native Design's principal risks and uncertainties come from its dependence on staff and the global economic position.

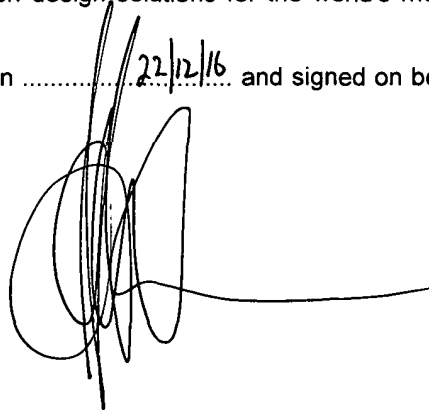
Native remains committed to its staff and acknowledges that it's staff provide the basis of the company's success. Native Design has grown it's staff base during the financial year, 78 employees (2015: 75). Through the reputation and quality of Native's design services, Native has attracted and retained some of the best talent around the world.

Native continually monitors the global economic recovery and its impact on demand for design services. The revenue pipeline is closely monitored by Native's directors and liquidity maintained to ensure continuity should a change in market conditions occur.

The directors plan for the future is to continue as a truly integrated experience design company dedicated to delivering holistic product and interaction design solutions for the world's most exciting brands.

This report was approved by the board of directors on .....22/12/16..... and signed on behalf of the board by:

M V Warren  
Director

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a series of loops and a long horizontal line extending to the right.

# **Native Design Limited**

## **Directors' Report**

**Year ended 31 March 2016**

The directors present their report and the abbreviated financial statements of the company for the year ended 31 March 2016.

### **Directors**

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

M V Warren  
M A Hoggarth  
T R Kleist  
P J Warren

(Appointed 1 December 2015)

### **Dividends**

Particulars of recommended dividends are detailed in note 9 to the financial statements.

### **Financial risk management objectives and policies**

The company's principal financial instruments comprise cash balances and various items such as trade debtors and trade creditors which arise directly from trading operations. The main purpose of these financial instruments is to provide finance for the company's operations.

### **Interest rate risk**

The company finances its operations through positive bank balances. The company is not at risk to interest rate fluctuations.

### **Liquidity risk**

The company has positive cash balances and ensures that there is sufficient working capital to cover its existing and upcoming liabilities.

### **Credit risk**

The principal credit risk arises from trade debtors. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

### **Currency risk**

The company seeks to minimise its exposure to currency by matching its currency payments to receipts.

### **Disclosure of information in the strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has set out the business review, the principal risks and uncertainties and future developments in the Strategic Report on page 1 of these accounts.

### **Directors' responsibilities statement**

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.

# **Native Design Limited**

## **Directors' Report** *(continued)*

**Year ended 31 March 2016**

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.

### **Auditor**

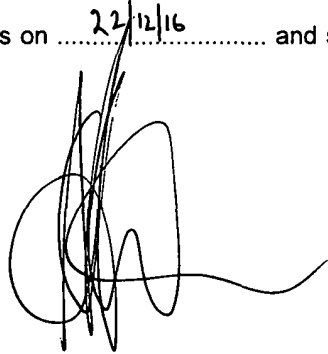
Each of the persons who is a director at the date of approval of this report confirms that:

- 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, Shaw Wallace, replaced Leaman Mattei LLP during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board of directors on 22/12/16 and signed on behalf of the board by:

M V Warren  
Director



# **Native Design Limited**

## **Independent Auditor's Report to Native Design Limited under section 449 of the Companies Act 2006**

**Year ended 31 March 2016**

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, together with the financial statements of Native Design Limited for the year ended 31 March 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company's member 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors are responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.



22/12/16

Hitesh Gadhia (Senior Statutory Auditor)

For and on behalf of  
Shaw Wallace  
Chartered accountant  
43 Manchester Street  
London  
W1U 7LP

**Native Design Limited**  
**Abbreviated Statement of Comprehensive Income**  
**Year ended 31 March 2016**

	Note	2016 £	2015 £
<b>Turnover</b>	<b>3</b>	<b>15,619,401</b>	12,844,763
Cost of sales and other operating income		6,903,286	4,877,135
Administrative expenses		<u>3,151,982</u>	<u>3,044,508</u>
<b>Operating profit</b>	<b>4</b>	<b>5,564,133</b>	4,923,120
Other interest receivable and similar income		—	30
<b>Profit on ordinary activities before taxation</b>		<b>5,564,133</b>	4,923,150
Tax on profit on ordinary activities	<b>8</b>	<b>1,154,730</b>	809,889
<b>Profit for the financial year</b>		<b><u>4,409,403</u></b>	<u>4,113,261</u>
Foreign currency retranslation		(12,420)	—
<b>Total comprehensive income for the year</b>		<b><u>4,396,983</u></b>	<u>4,113,261</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 18 form part of these financial statements.

**Native Design Limited**  
**Statement of Financial Position**  
**31 March 2016**

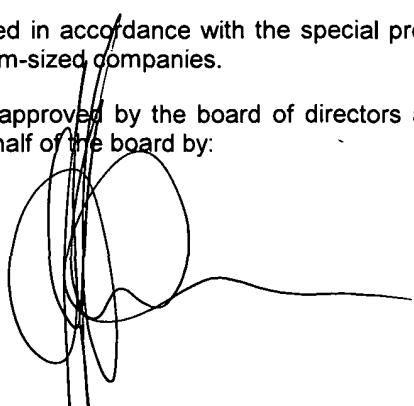
	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	10	417,846	504,521
<b>Current assets</b>			
Debtors	11	2,617,611	3,991,546
Cash at bank and in hand		2,037,166	1,683,860
		<u>4,654,777</u>	<u>5,675,406</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>3,349,199</u>	<u>2,502,124</u>
<b>Net current assets</b>		<u>1,305,578</u>	<u>3,173,282</u>
<b>Total assets less current liabilities</b>		<u>1,723,424</u>	<u>3,677,803</u>
<b>Creditors: amounts falling due after more than one year</b>	13	221,984	380,700
<b>Provisions</b>			
Taxation including deferred tax	15	22,571	3,860
Other provisions	15	<u>38,643</u>	<u>-</u>
		<u>61,214</u>	<u>3,860</u>
<b>Net assets</b>		<u>1,440,226</u>	<u>3,293,243</u>
<b>Capital and reserves</b>			
Called up share capital	17	152	152
Other reserves	18	(12,420)	-
Profit and loss account	18	<u>1,452,494</u>	<u>3,293,091</u>
<b>Shareholder funds</b>		<u>1,440,226</u>	<u>3,293,243</u>

These financial statements have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 22/12/16....., and are signed on behalf of the board by:

M V Warren  
Director

Company registration number: 03703075



The notes on pages 9 to 18 form part of these financial statements.



**Native Design Limited**  
**Statement of Changes in Equity**  
**Year ended 31 March 2016**

	Called up share capital £	Other reserves £	Profit and loss account £	<b>Total £</b>
<b>At 1 April 2014</b>	152	–	1,188,330	1,188,482
Profit for the year	—	—	4,113,261	4,113,261
<b>Total comprehensive income for the year</b>	–	–	4,113,261	4,113,261
Dividends paid and payable	9	–	(2,008,500)	(2,008,500)
<b>Total investments by and distributions to owners</b>	–	–	(2,008,500)	(2,008,500)
<b>At 31 March 2015</b>	152	–	3,293,091	<b>3,293,243</b>
Profit for the year	—	—	4,409,403	<b>4,409,403</b>
Other comprehensive income for the year:				
Foreign currency retranslation	–	(12,420)	–	<b>(12,420)</b>
<b>Total comprehensive income for the year</b>	–	(12,420)	4,409,403	<b>4,396,983</b>
Dividends paid and payable	9	–	(6,250,000)	<b>(6,250,000)</b>
<b>Total investments by and distributions to owners</b>	–	–	(6,250,000)	<b>(6,250,000)</b>
<b>At 31 March 2016</b>	<u>152</u>	<u>(12,420)</u>	<u>1,452,494</u>	<u><b>1,440,226</b></u>

The notes on pages 9 to 18 form part of these financial statements.

**Native Design Limited**  
**Statement of Cash Flows**  
**Year ended 31 March 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	4,409,403	4,113,261
<i>Adjustments for:</i>		
Depreciation of tangible assets	164,933	179,323
Other interest receivable and similar income	–	(30)
Loss/(gains) on disposal of tangible assets	16,886	(800)
Tax on profit on ordinary activities	1,154,730	809,889
Accrued (income)/expenses	(542,075)	131,941
Other operating cash flow adjustment	(12,420)	–
<i>Changes in:</i>		
Trade and other debtors	1,373,935	(465,090)
Trade and other creditors	205,846	(14,371)
Provisions and employee benefits	38,643	–
Cash generated from operations	6,809,881	4,754,123
Interest received	–	30
Tax paid	(884,858)	(1,271,192)
Net cash from operating activities	<u>5,925,023</u>	<u>3,482,961</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(163,040)	(320,289)
Proceeds from sale of tangible assets	67,896	800
Purchase of intangible assets	–	(800,000)
Proceeds from sale of intangible assets	–	800,000
Net cash used in investing activities	<u>(95,144)</u>	<u>(319,489)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	773,427	–
Dividends paid	(6,250,000)	(2,008,500)
Net cash used in financing activities	<u>(5,476,573)</u>	<u>(2,008,500)</u>
<b>Net increase in cash and cash equivalents</b>	353,306	1,154,972
<b>Cash and cash equivalents at beginning of year</b>	1,683,860	528,888
<b>Cash and cash equivalents at end of year</b>	<u>2,037,166</u>	<u>1,683,860</u>

The notes on pages 9 to 18 form part of these financial statements.

# **Native Design Limited**

## **Notes to the Abbreviated Financial Statements**

**Year ended 31 March 2016**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 5 Garden Walk, London, EC2A 3EQ.

### **2. Accounting policies**

#### **Basis of preparation**

The principal activity of the company during the year was that of industrial and interaction design consultancy.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

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

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **(i) Significant judgements**

No critical accounting judgement was made by management in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

##### **(ii) Key sources of estimation uncertainty**

No critical sources of estimation uncertainty were made by management in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

#### **Revenue recognition**

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

# **Native Design Limited**

## **Notes to the Abbreviated Financial Statements *(continued)***

**Year ended 31 March 2016**

### **2. Accounting policies *(continued)***

#### **Revenue recognition *(continued)***

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods 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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### **Income tax**

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

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and 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 equity, 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 equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

# **Native Design Limited**

## **Notes to the Abbreviated Financial Statements *(continued)***

**Year ended 31 March 2016**

### **2. Accounting policies *(continued)***

#### **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:

20% straight line	-	20% straight line
25% straight line	-	25% straight line
25% reducing balance	-	25% reducing balance

#### **Impairment of fixed assets**

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.

#### **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 statement of financial position 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.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

# Native Design Limited

## Notes to the Abbreviated Financial Statements *(continued)*

**Year ended 31 March 2016**

### 2. Accounting policies *(continued)*

#### Defined contribution plans

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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

### 3. Turnover

Turnover arises from:

	2016 £	2015 £
Rendering of services	<u>15,619,401</u>	<u>12,844,763</u>

### 4. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	164,933	179,323
Loss/(gains) on disposal of tangible assets	16,886	(800)
Research and development expenditure written off	—	204,373
Foreign exchange differences	<u>89,963</u>	<u>40,871</u>

### 5. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>10,000</u>

### 6. Staff costs

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

	2016 No.	2015 No.
Production staff	51	47
Administrative staff	<u>27</u>	<u>28</u>
	<u>78</u>	<u>75</u>

# Native Design Limited

## Notes to the Abbreviated Financial Statements *(continued)*

**Year ended 31 March 2016**

### 6. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	4,950,159	4,121,100
Social security costs	614,877	444,269
Other pension costs	77,414	20,085
	<u>5,642,450</u>	<u>4,585,454</u>

### 7. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	1,119,645	716,571
Company contributions to defined contribution pension plans	52,250	—
	<u>1,171,895</u>	<u>716,571</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016	2015
	No.	No.
Defined contribution plans	<u>2</u>	<u>—</u>

Remuneration of the highest paid director in respect of qualifying services:

	2016	2015
	£	£
Aggregate remuneration	<u>847,927</u>	<u>451,114</u>

### 8. Tax on profit on ordinary activities

#### Major components of tax expense

	2016	2015
	£	£
<b>Current tax:</b>		
UK current tax expense	1,192,181	1,058,563
Adjustments in respect of prior periods	(56,162)	(206,034)
Total current tax	<u>1,136,019</u>	<u>852,529</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>18,711</u>	<u>(42,640)</u>
<b>Tax on profit on ordinary activities</b>	<u>1,154,730</u>	<u>809,889</u>

# Native Design Limited

## Notes to the Abbreviated Financial Statements *(continued)*

**Year ended 31 March 2016**

### 8. Tax on profit on ordinary activities *(continued)*

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<b>5,564,133</b>	4,923,150
Profit on ordinary activities by rate of tax	<b>1,106,091</b>	1,043,862
Adjustment to tax charge in respect of prior periods	<b>(56,162)</b>	(206,034)
Effect of expenses not deductible for tax purposes	<b>1,534</b>	2,368
Effect of capital allowances and depreciation	<b>7,871</b>	(33,661)
Other adjustments	<b>95,396</b>	3,354
Tax on profit on ordinary activities	<b>1,154,730</b>	809,889

### 9. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Equity dividends on ordinary shares	<b>6,250,000</b>	2,008,500

### 10. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2015	85,324	154,629	845,823	<b>1,085,776</b>
Additions	–	–	163,040	<b>163,040</b>
Disposals	–	(154,629)	(225,099)	<b>(379,728)</b>
<b>At 31 March 2016</b>	<b>85,324</b>	<b>–</b>	<b>783,764</b>	<b>869,088</b>
<b>Depreciation</b>				
At 1 April 2015	49,580	119,898	411,777	<b>581,255</b>
Charge for the year	16,233	–	148,700	<b>164,933</b>
Disposals	–	(119,898)	(175,048)	<b>(294,946)</b>
<b>At 31 March 2016</b>	<b>65,813</b>	<b>–</b>	<b>385,429</b>	<b>451,242</b>
<b>Carrying amount</b>				
<b>At 31 March 2016</b>	<b>19,511</b>	<b>–</b>	<b>398,335</b>	<b>417,846</b>
At 31 March 2015	35,744	34,731	434,046	504,521



# Native Design Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 March 2016

### 11. Debtors

	2016 £	2015 £
Trade debtors	1,611,393	2,883,536
Amounts owed by group undertakings	—	712,855
Prepayments and accrued income	807,503	371,518
Other debtors	198,715	23,637
	<u>2,617,611</u>	<u>3,991,546</u>

### 12. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	399,617	215,716
Amounts owed to group undertakings	773,427	—
Accruals and deferred income	1,170,019	1,553,378
Corporation tax	852,498	601,337
Social security and other taxes	139,893	128,075
Other creditors	13,745	3,618
	<u>3,349,199</u>	<u>2,502,124</u>

### 13. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Accruals and deferred income	<u>221,984</u>	<u>380,700</u>

### 14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 15)	<u>22,571</u>	<u>3,860</u>

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

	2016 £	2015 £
Accelerated capital allowances	66,916	80,000
Deferred bonuses	(44,345)	(76,140)
	<u>22,571</u>	<u>3,860</u>

# Native Design Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 March 2016

### 15. Provisions

	Deferred tax (note 14) £	Holiday pay £	Total £
At 1 April 2015	3,860	–	3,860
Additions	–	38,643	38,643
Charge against provision	18,711	–	18,711
At 31 March 2016	<u>22,571</u>	<u>38,643</u>	<u>61,214</u>

The holiday pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

### 16. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £77,414 (2015: £20,085).

### 17. Called up share capital

#### Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2
Ordinary 'A Shares' shares of £1 each	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>
	<u>152</u>	<u>152</u>	<u>152</u>	<u>152</u>

Each share is entitled to one vote in any circumstances. Each share is entitled *pari passu* to dividend payments or any other distribution. Each share is entitled *pari passu* to participate in a distribution arising from a winding up of the company.

### 18. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account - this reserve records retained earnings and accumulated losses.

Other reserves - represents the foreign currency retranslation reserve on the Dutch branch

### 19. Controlling party

The immediate and ultimate parent company is Auralia Limited, a company registered in England and Wales.

The ultimate controlling party is the managing director, M V Warren.

# Native Design Limited

## Notes to the Abbreviated Financial Statements *(continued)*

### Year ended 31 March 2016

#### 20. Transition to FRS 102

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

#### Reconciliation of equity

	1 April 2014			31 March 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	363,555	–	363,555	504,521	–	504,521
Current assets	4,055,344	–	4,055,344	5,675,406	–	5,675,406
Creditors: amounts falling due within one year	(2,310,595)	–	(2,310,595)	(2,502,124)	–	(2,502,124)
Net current assets	<u>1,744,749</u>	–	<u>1,744,749</u>	<u>3,173,282</u>	–	<u>3,173,282</u>
Total assets less current liabilities	2,108,304	–	2,108,304	3,677,803	–	3,677,803
Creditors: amounts falling due after more than one year	(873,322)	–	(873,322)	(380,700)	–	(380,700)
Provisions	(46,500)	–	(46,500)	(80,000)	76,140	(3,860)
Net assets	<u>1,188,482</u>	–	<u>1,188,482</u>	<u>3,217,103</u>	<u>76,140</u>	<u>3,293,243</u>
Capital and reserves	<u>1,188,482</u>	–	<u>1,188,482</u>	<u>3,217,103</u>	<u>76,140</u>	<u>3,293,243</u>

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

	Year ended 31 March 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Turnover	12,844,763	–	12,844,763
Cost of sales and other operating income	(4,877,135)	–	(4,877,135)
Gross profit	<u>7,967,628</u>	–	<u>7,967,628</u>
Administrative expenses	(3,044,508)	–	(3,044,508)
Operating profit	<u>4,923,120</u>	–	<u>4,923,120</u>
Other interest receivable and similar income	30	–	30
Tax on profit on ordinary activities	(886,029)	76,140	(809,889)
Profit for the financial year	<u>4,037,121</u>	<u>76,140</u>	<u>4,113,261</u>

# **Native Design Limited**

## **Notes to the Abbreviated Financial Statements *(continued)***

**Year ended 31 March 2016**

### **20. Transition to FRS 102 *(continued)***

#### **Changes for FRS102 adoption**

(a) Deferred tax is now recognised on deferred bonuses where tax relief has not been taken within 9 months of the year end.