

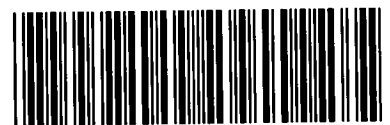
Registered number: 04199223

PODFO Limited
(formerly Peacocks Orthotics Limited)

Directors' report and financial statements

31 May 2017

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COMPANIES HOUSE

PODFO Limited

Company Information

Directors Mr C D Peacock
Mr D W Stevens
Ms E Hall (appointed 1 November 2017)

Company secretary Mr J C Peacock

Registered number 04199223

Registered office Suite 7, Q11
Quorum Business Park
Benton Lane
Longbenton
Newcastle Upon Tyne
NE12 8BW

Independent auditor UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JE

Bankers Lloyds Bank PLC
102 Grey Street
Newcastle upon Tyne
NE99 1SL

PODFO Limited

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PODFO Limited

Directors' report Year ended 31 May 2017

The directors present their report and the financial statements for the year ended 31 May 2017.

Principal activity

The company's principal activities are the design and sale of bespoke biometric orthotics.

Change of name

On 25 July 2017 the company name was changed from Peacocks Orthotics Limited to PODFO Limited.

Directors

The directors who served during the year, and changes since the year end, were as follows:

Mr C D Peacock
Mr D W Stevens
Mr J C Peacock (resigned 2 August 2017)
Mr S J Cook (resigned 9 March 2017)
Mr D W N Ferguson (resigned 2 June 2016)
Ms E Hall (appointed 1 November 2017)

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 May 2018 and signed on its behalf by:



Ms E Hall
Director

PODFO Limited

Directors' responsibilities statement Year ended 31 May 2017

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the members of PODFO Limited

We have audited the financial statements of PODFO Limited for the year ended 31 May 2017, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent auditor's report to the members of PODFO Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

A handwritten signature in black ink, appearing to read 'David Redhead'.

David Redhead (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle Upon Tyne

25 May 2018

PODFO Limited

Profit and loss account Year ended 31 May 2017

	2017 £	2016 £
Turnover	32,365	-
Cost of sales	(17,849)	-
Gross profit	14,516	-
Administrative expenses	(662,135)	(380,563)
Operating loss	(647,619)	(380,563)
Interest payable and similar charges	(30,000)	-
Loss on ordinary activities before taxation	(677,619)	(380,563)
Tax on loss on ordinary activities	3,043	(3,243)
Loss for the financial year	(674,576)	(383,806)

The notes on pages 8 to 13 form part of these financial statements.

PODFO Limited

Balance sheet At 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	111,969	77,056
Tangible assets	6	39,238	26,144
		<u>151,207</u>	<u>103,200</u>
Current assets			
Stocks	7	6,255	-
Debtors	8	1,107,830	-
Cash at bank and in hand		168,426	31,212
		<u>1,282,511</u>	<u>31,212</u>
Creditors: amounts falling due within one year	9	(591,949)	(501,905)
Net current assets/(liabilities)		<u>690,562</u>	<u>(470,693)</u>
Total assets less current liabilities		<u>841,769</u>	<u>(367,493)</u>
Provisions for liabilities			
Deferred tax		(9,190)	(12,233)
Net assets/(liabilities)		<u>832,579</u>	<u>(379,726)</u>
Capital and reserves			
Called up share capital		98	100
Share premium account		1,890,863	3,980
Profit and loss account		(1,058,382)	(383,806)
Total equity/(deficit)		<u>832,579</u>	<u>(379,726)</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 FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2018.



Ms E Hall
Director

Company registered number: 04199223

The notes on pages 8 to 13 form part of these financial statements.

PODFO Limited

Statement of changes in equity Year ended 31 May 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	100	3,980	(383,806)	(379,726)
Loss for the year	-	-	(674,576)	(674,576)
Reclassification as debt	(20)	(3,980)	-	(4,000)
Shares issued during the year	18	1,890,863	-	1,890,881
At 31 May 2017	98	1,890,863	(1,058,382)	832,579

Statement of changes in equity Year ended 31 May 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2015	1	-	463,796	463,797
Loss for the year	-	-	(383,806)	(383,806)
Dividends	-	-	(463,796)	(463,796)
Shares issued during the year	99	3,980	-	4,079
At 31 May 2016	100	3,980	(383,806)	(379,726)

The notes on pages 8 to 13 form part of these financial statements.

PODFO Limited

Notes to the financial statements Year ended 31 May 2017

1. General information

PODFO Limited ('the company') is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is Suite 7, Q11, Quorum Business Park, Benton Lane, Longbenton, Newcastle upon Tyne, NE12 8BW.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'* (FRS 102) and the Companies Act 2006.

3. Accounting policies

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

3.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

3.2 Going concern

The company meets its day to day working capital requirements through the proceeds of shares issued during the year, together with loan funding from a related party.

The company's financial forecasts and projections, taking account of anticipated developments within the business, show that the company is expected to maintain sufficient financial resources through the funding raised to date to enable it to continue meeting its liabilities as they fall due in the normal course of business for at least the next twelve months following approval of these financial statements.

Notwithstanding the company's loss for the year ended 31 May 2017 and subsequent trading performance up to the date of approval of these financial statements, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

3.3 Revenue recognition

Turnover comprises revenue recognised in respect of goods supplied during the year, net of discounts and excluding Value Added Tax. Turnover is recognised on delivery to the customer.

3.4 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost is determined using the first-in first-out (FIFO) method and includes the purchase price, taxes and duties plus transport and handling costs directly attributable to bringing the stock to its present location and condition.

PODFO Limited

Notes to the financial statements Year ended 31 May 2017

3. Accounting policies (continued)

3.5 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on all intangible fixed assets so as to write off the cost of an asset over its estimated useful life as follows:

Patents	-	10% straight line
Computer software	-	20% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of fixed assets, over their expected useful lives as follows:

Plant and machinery	-	10% - 33% straight line
Fixtures and fittings	-	20% straight line

3.7 Financial instruments

The company only enters into financial instruments transactions that result in the recognition of basic debt financial assets and liabilities such as trade and other debtors and creditors, cash and bank balances (including overdrafts), balances due to or from related parties and shares classified as debt.

All such financial instruments are due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

3.8 Employee benefits

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 employee's entitlement to the benefit accrues.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3.9 Foreign currencies

Transactions in foreign currencies are translated into sterling using the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary assets and liabilities are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the period-end retranslation of monetary assets and liabilities are recognised in the profit and loss account.

PODFO Limited

Notes to the financial statements Year ended 31 May 2017

3. Accounting policies (continued)

3.10 Finance costs

Finance costs are charged to the profit and loss account 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 of the debt instrument.

3.11 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods, and arises from 'timing differences' (where transactions or events are included in the financial statements in periods different from those in which they are assessed for tax). Deferred tax is recognised in respect of all timing differences, except that unrelieved tax losses and other deferred tax assets are recognised only 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 balance sheet date that are expected to apply to the reversal of the timing differences.

3.12 Dividends

Dividends and other distributions to the company's equity shareholders are recognised when they become legally payable. These amounts are recognised in the statement of changes in equity.

Dividends payable on shares classified as debt are recognised as an interest expense in the profit and loss account.

4. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 4).

PODFO Limited

Notes to the financial statements Year ended 31 May 2017

5. Intangible assets

	Patents £	Computer software £	Total £
Cost			
At 1 June 2016	46,121	46,870	92,991
Additions	-	52,528	52,528
At 31 May 2017	46,121	99,398	145,519
Amortisation			
At 1 June 2016	7,518	8,417	15,935
Charge for the year	4,662	12,953	17,615
At 31 May 2017	12,180	21,370	33,550
Net book value			
At 31 May 2017	33,941	78,028	111,969
At 31 May 2016	38,603	38,453	77,056

PODFO Limited

Notes to the financial statements Year ended 31 May 2017

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 June 2016	9,534	21,784	31,318
Additions	19,962	-	19,962
At 31 May 2017	<u>29,496</u>	<u>21,784</u>	<u>51,280</u>
Depreciation			
At 1 June 2016	1,783	3,391	5,174
Charge for the year	2,620	4,248	6,868
At 31 May 2017	<u>4,403</u>	<u>7,639</u>	<u>12,042</u>
Net book value			
At 31 May 2017	<u>25,093</u>	<u>14,145</u>	<u>39,238</u>
At 31 May 2016	<u>7,751</u>	<u>18,393</u>	<u>26,144</u>

7. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>6,255</u>	<u>-</u>

8. Debtors

	2017 £	2016 £
Amounts owed by related parties	1,105,670	-
Prepayments and accrued income	2,160	-
	<u>1,107,830</u>	<u>-</u>

PODFO Limited

Notes to the financial statements Year ended 31 May 2017

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to related parties	557,545	465,252
Accruals and deferred income	30,404	36,653
Share capital treated as debt	4,000	-
	<u>591,949</u>	<u>501,905</u>

10. Dividends

	2017 £	2016 £
Interim dividends paid on equity capital	-	463,796

11. Related party transactions

During the year, the company undertook transactions with Peacocks Medical Group Limited, a related party with shareholders and directors in common. The company was recharged £655,500 (2016 - £364,602) for expenses incurred on its behalf, incurred interest costs of £30,000 on funding provided and made a short-term loan which was subsequently repaid. At the balance sheet date, amounts outstanding in respect of these transactions were £1,105,670 (2016 - £nil) included in debtors and £557,545 (2016 - £465,252) included in creditors, including a loan of £500,000 (2016 - £nil).