

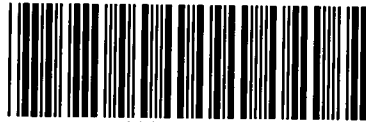
Company number: 04616815

CVON INNOVATIONS LIMITED

Director's report and financial statements

for the year ended 31 December 2013

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CVON INNOVATIONS LIMITED

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COMPANY INFORMATION

DIRECTOR

E Kip

COMPANY NUMBER

04616815

REGISTERED OFFICE

Squires House
205A High Street
West Wickham
Kent
BR4 0PH

INDEPENDENT AUDITOR

PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

DIRECTOR'S REPORT

For the year ended 31 December 2013

The director presents his annual report and the audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The company did not trade during 2013.

RESULTS AND DIVIDENDS

The loss for the year ended 31 December 2013 before taxation amounts of £10,415 (2012: £1,840,942).

The financial position of the company at 31 December 2013 is shown on page 8. The company had net assets of £28,303 (2012: £38,718).

The director was precluded from recommending the payment of a dividend (2012: £nil).

BASIS OF PREPARATION

It is the intention of the director to close the company. Accordingly the financial statements have been prepared on a break-up basis. Where necessary, adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to close the company and to reclassify fixed assets and long-term liabilities as current assets and current liabilities.

The accounting policies to the financial statements provide further details on the basis of preparation.

DIRECTOR

The director of the company who was in office during the year and up to the date of signing of this report is:

E Kip

STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITOR

The director has confirmed, as far as he is aware, that there is no relevant audit information of which the independent auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the independent auditor.

DIRECTOR'S REPORT

For the year ended 31 December 2013 (continued)

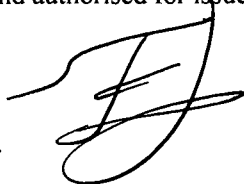
INDEPENDENT AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 relating to small companies.

Signed and authorised for issue by:

E Kip
Director

A handwritten signature in black ink, appearing to be 'E Kip', written over a horizontal line.

Date: 25 September 2014

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 those financial statements, the director is required to:

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

The director is 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 to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. The director is 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.

Signed and authorised for issue by:

E Kip
Director



Date: 25 September 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVON INNOVATIONS LIMITED

We have audited the financial statements of CVON Innovations Limited for the year ended 31 December 2013 which comprise the profit and loss account, balance sheet and the related notes. 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).

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 AUDITORS

As explained more fully in the statement of director's responsibilities set out on page 4, the director is 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 Annual 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 misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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 Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVON INNOVATIONS LIMITED
(continued)**

EMPHASIS OF MATTER – BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in the accounting policies to the financial statements that they have been prepared on a break-up basis. The company incurred a loss of £10,415 during the year ended 31 December 2013 bringing the cumulative losses of £4,323,181 at the year end.

The director of the company intends to close the company. Accordingly, the director has concluded that the going concern basis of accounting is not appropriate and a break-up basis has been adopted. Where appropriate, adjustments have been made in these financial statements to reduce assets to their realisable values, provide for liabilities arising from the decision to close the company and to reclassify fixed assets and long-term liabilities as current assets and current liabilities. Our opinion is not modified in this respect.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Alison Sheridan (Senior Statutory Auditor)
For and behalf of PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 25 September 2014

PROFIT AND LOSS ACCOUNT**For the year ended 31 December 2013**

	Notes	2013 £	2012 £
Administrative expenses		(10,415)	(34,599)
Operating loss		(10,415)	(34,599)
Exceptional costs	1	-	(1,847,263)
Interest receivable and similar income	2	-	70,045
Interest payable and similar charges	3	-	(29,125)
Loss on ordinary activities before taxation	4	(10,415)	(1,840,942)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	12	(10,415)	(1,840,942)

The company has no recognised gains or losses other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented.

All amounts relate to discontinued operations.

There is no material difference between the losses on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

BALANCE SHEET
As at 31 December 2013

Company number: 04616815

	Notes	2013 £	2012 £
Current assets			
Tangible assets	7	306	408
Debtors	8	1,984	669
Cash at bank and in hand		<u>30,783</u>	<u>40,997</u>
		33,073	42,074
Creditors: amounts falling due within one year	9	<u>(4,770)</u>	<u>(3,356)</u>
Net current assets		<u>29,653</u>	<u>38,718</u>
Total assets less current liabilities		<u>28,303</u>	<u>38,718</u>
Capital and reserves			
Called up share capital	10	76,495	76,495
Share premium account	11	4,274,989	4,274,989
Profit and loss account	11	<u>(4,323,181)</u>	<u>(4,312,766)</u>
Total shareholders' funds	12	<u>28,303</u>	<u>38,718</u>

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director and authorised for issue on 25 September 2014 and are signed by:


 E Kip
 Director

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently, in dealing with items which are considered material in relation to the financial statements.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom on a break up basis and comply with the requirements of the Companies Act 2006.

The company incurred a loss of £10,415 during the year ended 31 December 2013 (2012: £1,840,942) and, at the year end had accumulated losses of £4,323,181 (2012: £4,312,766).

The director of the company acknowledges the prospects for the business are extremely limited and that there is little alternative but to wind up the business. He has therefore concluded that it is not appropriate to prepare the financial statements of the company on a going concern basis. Accordingly, the financial statements have been prepared on a break-up basis. Where necessary, adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to close the company and to reclassify fixed assets and long-term liabilities as current assets and current liabilities.

CASH FLOW EXEMPTION

The company has taken advantage of the exemption for small companies and has not prepared a cash flow statement.

TANGIBLE ASSETS

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost less residual value of each tangible fixed asset over its expected useful life, as follows:

Fixtures, fittings and equipment - 25% reducing balance

Tangible assets have been written down to net realisable value and transferred to current assets.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

1. EXCEPTIONAL COSTS

	2013 £	2012 £
Write-off of amount due from group undertaking	-	1,839,536
Write-off of amount due from investors	<u>-</u>	<u>7,727</u>
	<u><u>-</u></u>	<u><u>1,847,263</u></u>

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Interest due from group undertakings	<u>-</u>	<u>70,045</u>
	<u><u>-</u></u>	<u><u>70,045</u></u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Foreign exchange loss	<u>-</u>	<u>29,125</u>
	<u><u>-</u></u>	<u><u>29,125</u></u>

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	102	136
Auditor's remuneration – audit	<u>3,000</u>	<u>8,000</u>

5. EMPLOYEES

There were no employees (2012: nil) during the financial year apart from the director. The director did not receive any emoluments in respect of their services to the company (2012:£nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

6. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no tax charge for year (2012: £nil).

The tax assessed for the year is higher (2012: higher) than the small company rate of corporation tax in UK of 20% (2012: 20%)

	2013 £	2012 £
Factors affecting tax charge for the year:		
Loss on ordinary activities before taxation	(10,415)	(1,840,942)
Loss on ordinary activities multiplied by the small company rate of corporation tax 20% (2012: 20%)	(2,083)	(368,188)
Expenses not deductible for tax purposes	-	375,452
Capital allowances less than depreciation	20	27
Effects of losses carried forward	<u>2,063</u>	<u>(7,291)</u>
Total current tax charge	<u>-</u>	<u>-</u>

Factors affecting future tax charges

The company has estimated tax losses of £4,482,644 (2012: £4,472,331) available for carry forward against future trading profits. No deferred tax has been recognised as it is uncertain whether sufficient profits will be generated in the short term to relieve these losses.

7. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2013 and 31 December 2013	<u>1,874</u>	<u>1,874</u>
Accumulated depreciation		
At 1 January 2013	1,466	1,466
Charge for the financial year	<u>102</u>	<u>102</u>
At 31 December 2013	<u>1,568</u>	<u>1,568</u>
Net book value		
At 31 December 2013	<u>306</u>	<u>306</u>
At 31 December 2012	<u>408</u>	<u>408</u>

The net realisable value is not significantly different from the carrying value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

8. DEBTORS

	2013 £	2012 £
Other debtors	<u>1,984</u>	<u>669</u>
	<u>1,984</u>	<u>669</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Amounts due to group undertakings	1,620	-
Accruals and deferred income	<u>3,150</u>	<u>3,356</u>
	<u>4,770</u>	<u>3,356</u>

10. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted and fully paid		
300,000 (2012: 300,000) 'A' ordinary shares of £0.10 each	30,000	30,000
367,847 (2012: 367,847) 'B' ordinary shares of £0.10 each	36,785	36,785
97,106 (2012: 97,106) 'C' ordinary shares of £0.10 each	<u>9,710</u>	<u>9,710</u>
	<u>76,495</u>	<u>76,495</u>

Particulars in respect to voting

Holders of A ordinary shares are entitled to 37.5% of the total votes capable of being cast at a meeting, pro-rated for the number of A-shareholders present. Holders of B ordinary shares are entitled to 62.5% of the total votes capable of being cast at a meeting, pro-rated for the number of B-shareholders present. Holders of C shares cannot vote.

Particulars in respect to dividends

Any profits resolved to be distributed shall be allocated as follows:

- i. First, holders of each type of share shall receive an amount corresponding to the nominal value paid up on that share
- ii. Secondly, each holder of each type of shares shall receive an amount corresponding to any share premium paid up on that share, pro rata to their respective share premiums until such amounts have been paid in full.
- iii. Thirdly, holders of 'A' and 'B' shares shall receive 5/6 and the holders of 'C' shares shall received 1/6 of the remaining surplus. With regard to remaining surplus, the holders of the 'A' and 'B' ordinary shares rank pari passu inter se except that the holders of the 'A' and 'B' ordinary shares shall receive no less than 19/25 of the remaining surplus to which holders of 'A' and 'B' shares are entitled.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

10. CALLED UP SHARE CAPITAL (continued)

Particulars in respect to liquidation

Any profits resolved to be distributed shall be allocated as follows:

- i. First, holders of each type of share shall receive an amount corresponding to the nominal value paid up on that share
- ii. Secondly, each holder of each type of shares shall receive an amount corresponding to any share premium paid up on that share, pro rata to their respective share premiums until such amounts have been paid in full.
- iii. Thirdly, holders of 'A' and 'B' shares shall receive 5/6 and the holders of 'C' shares shall receive 1/6 of the remaining surplus. With regard to remaining surplus, the holders of the 'A' and 'B' ordinary shares rank pari passu inter se except that the holders of the 'A' and 'B' ordinary shares shall receive no less than 19/25 of the remaining surplus to which holders of 'A' and 'B' shares are entitled.

Notwithstanding the rights attaching to the shares set out above, the first 10 per cent of any liquidation surplus shall be distributed as a priority entitlement to the holders of the 'A' ordinary shares, pro rata to the number of 'A' ordinary shares held by them respectively. Thereafter, the distribution criteria set out above shall apply except that holders of 'A' ordinary shares shall not receive any further distribution until such time as an amount equal to the sum per share distributed to them as a priority has been paid per share on each other class of shares.

11. RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2013	4,274,989	(4,312,766)
Loss for the financial year	-	(10,415)
At 31 December 2013	<u>4,274,989</u>	<u>(4,323,181)</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	38,718	1,879,660
Loss for the financial year	<u>(10,415)</u>	<u>(1,840,942)</u>
Closing shareholders' funds	<u>28,303</u>	<u>38,718</u>

13. ULTIMATE PARENT COMPANY

The company's ultimate controlling party and immediate and ultimate parent company is Blyk International Limited, a company registered in England and with a registered office address of Squires House, 205A High Street, West Wickham, Kent BR4 0PH.