

Registered number: 05263229

A.T. SHOP LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

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A.T. SHOP LIMITED

COMPANY INFORMATION

Directors	M Tagesson N Mendola
Registered number	05263229
Registered office	Donald Reid Group 20 King Street Maidenhead Berkshire SL6 1DT
Independent auditors	Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT

A.T. SHOP LIMITED

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A.T. SHOP LIMITED
REGISTERED NUMBER: 05263229

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	30 April 2016 £
Fixed assets			
Tangible assets	5	242,794	194,085
		<u>242,794</u>	<u>194,085</u>
Current assets			
Stocks	6	288,410	50,600
Debtors: amounts falling due within one year	7	260,878	631,114
Cash at bank and in hand	8	399,834	641,889
		<u>949,122</u>	<u>1,323,603</u>
Creditors: amounts falling due within one year	9	(9,903,787)	(5,628,551)
Net current liabilities		<u>(8,954,665)</u>	<u>(4,304,948)</u>
Total assets less current liabilities		<u>(8,711,871)</u>	<u>(4,110,863)</u>
Creditors: amounts falling due after more than one year		-	(2,726,781)
Net liabilities		<u><u>(8,711,871)</u></u>	<u><u>(6,837,644)</u></u>
Capital and reserves			
Called up share capital	11	5,595	5,595
Share premium account		19,060,456	19,060,456
Profit and loss account		(27,777,922)	(25,903,695)
		<u><u>(8,711,871)</u></u>	<u><u>(6,837,644)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 September 2017.

A.T. SHOP LIMITED
REGISTERED NUMBER: 05263229

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016


N Mendola

Director

The notes on pages 3 to 11 form part of these financial statements.

A.T. SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1. General information

A.T. Shop Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is 20 King Street, Maidenhead, Berkshire, SL6 1DT. Its principal place of business is 10 Brick Street, Mayfair, London W1J 7HQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company has net liabilities of £8,711,871 (*April 2016: £6,837,644*). Based on the financial projections, the directors believe they have a reasonable expectation that the company will have sufficient working capital for the foreseeable future and consequently believe that it is appropriate to prepare the financial statements on a going concern basis. The ultimate parent company has confirmed that it will provide the company with support as required in order to enable it to remain a going concern for at least a year from the date of the signing of the balance sheet.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

A.T. SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold improvements	- Over the term of the lease
Office fixtures & fittings	- 10% - 33% straight line
Computer equipment	- 33% straight line or over the term of the license
Website development	- 33% - 50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Stocks

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

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

A.T. SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

A.T. SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

A.T. SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.14 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the period in which they are incurred.

2.16 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

Depreciation

Tangible fixed assets are depreciated over their useful economic lives. The actual lives of the assets are assessed annually and may vary depending on a range of factors. These factors include product life cycles, maintenance programs of the assets, as well as technological innovation.

The applicable accounting policies detailing these areas are shown in note 2.4.

Sales returns

Sales return provisions are calculated by reviewing historic return trends in order to obtain a reasoned estimate.

Creditors, provisions, and liabilities

These are recognised at the balance sheet date and include amounts for accrued holiday pay. Although these estimates are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

A.T. SHOP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

4. Employees

The average monthly number of employees, including directors, during the period was 21 (2016 - 24).

5. Tangible fixed assets

	L/Term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Website development £	Total £
Cost or valuation					
At 1 May 2016	9,191	47,406	43,897	266,565	367,059
Additions	-	-	4,227	106,711	110,938
At 31 December 2016	9,191	47,406	48,124	373,276	477,997
Depreciation					
At 1 May 2016	9,191	47,125	35,159	81,499	172,974
Charge for the period on owned assets	-	140	5,434	56,656	62,230
At 31 December 2016	9,191	47,265	40,593	138,155	235,204
Net book value					
At 31 December 2016	-	141	7,531	235,121	242,793
At 30 April 2016	-	281	8,738	185,066	194,085

A.T. SHOP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

6. Stocks

	31 December 2016 £	<i>30 April 2016 £</i>
Finished goods	288,410	<i>50,600</i>
	288,410	<i>50,600</i>

7. Debtors

	31 December 2016 £	<i>30 April 2016 £</i>
Trade debtors	81,828	<i>73,777</i>
Amounts owed by group undertakings	-	<i>460,759</i>
Other debtors	151,778	<i>76,530</i>
Prepayments and accrued income	27,272	<i>20,048</i>
	260,878	<i>631,114</i>

8. Cash and cash equivalents

	31 December 2016 £	<i>30 April 2016 £</i>
Cash at bank and in hand	399,834	<i>641,889</i>
	399,834	<i>641,889</i>

A.T. SHOP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

9. Creditors: Amounts falling due within one year

	31 December 2016 £	30 April 2016 £
Other loans	-	313,879
Trade creditors	507,738	534,225
Amounts owed to group undertakings	8,497,376	4,012,412
Other taxation and social security	800,285	598,012
Other creditors	74,069	127,797
Accruals and deferred income	24,319	42,226
	<u>9,903,787</u>	<u>5,628,551</u>

10. Loans

Analysis of the maturity of loans is given below:

	31 December 2016 £	30 April 2016 £
Amounts falling due within one year		
Other loans	-	313,879
	<u>-</u>	<u>313,879</u>
Amounts falling due 2-5 years		
Other loans	-	2,726,781
	<u>-</u>	<u>2,726,781</u>
	<u>-</u>	<u>3,040,660</u>

11. Share capital

	31 December 2016 £	30 April 2016 £
Shares classified as equity		

A.T. SHOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

11. Share capital (continued)

Allotted, called up and fully paid

27,822,834 (2016 - 27,820,000) Ordinary shares of £0.000001 each	28	28
5,000,000 A shares of £0.001 each	5,000	5,000
7,679,312 (2016 - 7,680,000) B shares of £0.000001 each	8	8
2,450,000 C shares of £0.000228 each	559	559
	<hr/>	<hr/>
	5,595	5,595
	<hr/>	<hr/>

12. Contingent liabilities

The company has accrued for potential EU VAT within other taxation and social security. It has not accrued for any fines or penalties as the likelihood and quantum is uncertain.

13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £26,497 (April 2016: £22,489). Contributions totalling £Nil (April 2016: £7,158) were payable to the fund at the balance sheet date and are included in creditors.

14. Controlling party

The immediate parent company of A.T. Shop Limited is AlexandAlexa Holding AB by virtue of its majority holding of the ordinary issued share capital at the balance sheet date.

Babyshop Sthlm Holding AB is the ultimate parent company and controlling party. Both companies are incorporated in Sweden. The group financial statements can be obtained from Babyshop Sthlm Holding AB, BOX 29098, 100 52 Stockholm.

15. Auditors' information

The auditor's report for the period ended 31 December 2016 was unqualified.

The company's accounts were audited by Donald Reid Limited, chartered accountants and statutory auditors. The auditor's report was signed by Mr D Reid FCA, senior statutory auditor.