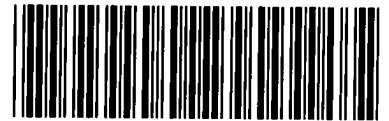


RIVER EAST SUPPLIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
PAGES FOR FILING WITH REGISTRAR

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COMPANIES HOUSE

SOMERBYS LIMITED
CHARTERED ACCOUNTANTS
30 NELSON STREET
LEICESTER
LE1 7BA

RIVER EAST SUPPLIES LIMITED

COMPANY INFORMATION

Director	K Thorkelson	(Appointed 9 November 2017)
Company number	06370905	
Registered office	30 Nelson Street Leicester LE1 7BA	
Auditor	Somerbys Limited 30 Nelson Street Leicester LE1 7BA	

RIVER EAST SUPPLIES LIMITED

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RIVER EAST SUPPLIES LIMITED

BALANCE SHEET

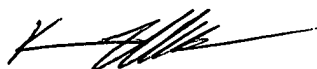
AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	3	7,425,395		10,685,127	
Cash at bank and in hand		251,993		251,993	
		<u>7,677,388</u>		<u>10,937,120</u>	
Creditors: amounts falling due within one year	4	<u>(4,766,480)</u>		<u>(7,626,989)</u>	
Net current assets		<u>2,910,908</u>		<u>3,310,131</u>	
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves		<u>2,910,907</u>		<u>3,310,130</u>	
Total equity		<u>2,910,908</u>		<u>3,310,131</u>	

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

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

The financial statements were approved by the board of directors and authorised for issue on 2 May 2019 and are signed on its behalf by:



K Thorkelson
Director

Company Registration No. 06370905

RIVER EAST SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

River East Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Nelson Street, Leicester, LE1 7BA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As noted elsewhere in the financial statements, the company's banking facilities have been withdrawn following a criminal prosecution in the United States of America against the group of which River East Supplies Limited is part of. The company has ceased trading and therefore the director believes that the going concern basis is no longer appropriate.

As a result of the above, the accounts have been prepared on the "break up" basis. All assets are classified as current assets and are valued at the lower of cost and net realisable value. All long term liabilities are classified as current liabilities and include any costs of early settlement. Any other costs associated with the closure of the business have also been recognised.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

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

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

Computer equipment	33.33% per annum of net book amount
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

RIVER EAST SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.6 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

RIVER EAST SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2017 - 6).

3 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	400,819	312,593
Corporation tax recoverable	98,791	-
Other debtors	6,925,785	10,372,534
	<u>7,425,395</u>	<u>10,685,127</u>

4 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	(7,339)	4,962
Amounts owed to group undertakings	4,768,569	7,490,899
Corporation tax	-	117,376
Other creditors	5,250	13,752
	<u>4,766,480</u>	<u>7,626,989</u>

5 Called up share capital

	2018 £	2017 £
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of Matter - Going Concern

RIVER EAST SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

6 Audit report information

(Continued)

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in the notes to the financial statements concerning the company's ability to continue as a going concern. The company's bank withdrew facilities during the previous year following a criminal prosecution in the United States of America against the group of which River East Supplies Limited is part of. As a result of this the company has ceased trading and therefore the financial statements have not been prepared on the going concern basis. Further detail concerning the accounting convention used can be found in the notes to the financial statements.

The senior statutory auditor was Alexander West FCA.
The auditor was Somerbys Limited.

7 Parent company

The immediate parent company is Global Drug Supply Ltd, a company incorporated in Barbados (Building 28 Warrens Industrial Park, St. Michael, Barbados). The ultimate parent company is 4208081 Canada Limited, a company incorporated in Canada.

The ultimate controlling party is the Cascade Mountain Trust.