

PANTS TO POVERTY LTD

**Company Registration Number:
06445650 (England and Wales)**

Report of the Directors and Unaudited Financial Statements

Period of accounts

Start date: 01st January 2010

End date: 31st October 2010

SUBMITTED

PANTS TO POVERTY LTD

Contents of the Financial Statements for the Period Ended 31st October 2010

Company Information

Report of the Directors

Profit and Loss Account

Balance sheet

Notes to the Financial Statements

PANTS TO POVERTY LTD

Company Information for the Period Ended 31st October 2010

Director:

BEN RAMSDEN
Nishan James Dias

Registered office:

UNIT C02 RICH MIX 35-47 Bethnal Green Road
London
E1 6LA
GBR

Company Registration Number:

06445650 (England and Wales)

PANTS TO POVERTY LTD

Directors' Report Period Ended 31st October 2010

The directors present their report with the financial statements of the company for the period ended 31st October 2010

Principal activities

The principal activity of the company in the period under review was:
Pants to Poverty Ltd designs, sources and sells pants.

Directors

The directors shown below have held office during the whole of the period from
01st January 2010 to 31st October 2010
BEN RAMSDEN
Nishan James Dias

Political and charitable donations

During the period the company donated £1,199 to the Pi Foundation, a UK registered charity.

DIRECTORS In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. 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 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 director must not approve the financial statements unless he is 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 director is required to: · select suitable accounting policies and then apply them consistently; · make judgments and 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 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He 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.

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on 29 July 2011

And Signed On Behalf Of The Board By:

Name: BEN RAMSDEN
Status: Director

PANTS TO POVERTY LTD

Profit and Loss Account

for the Period Ended 31st October 2010

	Notes	2010 £	2009 £
Turnover:	2	201,701	116,748
Cost of sales:		178,522	86,424
Gross profit or (loss):		<u>23,179</u>	<u>30,324</u>
Distribution costs:		61,956	28,747
Administrative expenses:	4,	118,489	61,770
Operating profit or (loss):	3	<u>(157,266)</u>	<u>(60,193)</u>
Interest receivable and similar income:		5	4
Interest payable and similar charges:		7,701	1,333
Profit or (loss) on ordinary activities before taxation:		<u>(164,962)</u>	<u>(61,522)</u>
Tax on profit or loss on ordinary activities:		0	0
Profit or (loss) for the financial year:		<u><u>(164,962)</u></u>	<u><u>(61,522)</u></u>

The notes form part of these financial statements

PANTS TO POVERTY LTD

Statement of total recognised gains and losses 31st October 2010

Statement of total recognised gains and losses

The company does not have any gains and losses other than Profit and Loss for the period to report.

The notes form part of these financial statements

PANTS TO POVERTY LTD

Balance sheet As at 31st October 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets:	5	332	576
Total fixed assets:		<u>332</u>	<u>576</u>
Current assets			
Stocks:	6	94,855	23,348
Debtors:	7	31,269	56,470
Cash at bank and in hand:		340	8,505
Total current assets:		<u>126,464</u>	<u>88,323</u>
Creditors: amounts falling due within one year	8	411,188	208,329
Net current assets (liabilities):		<u>(284,724)</u>	<u>(120,006)</u>
Total assets less current liabilities:		<u>(284,392)</u>	<u>(119,430)</u>
Total net assets (liabilities):		<u><u>(284,392)</u></u>	<u><u>(119,430)</u></u>

The notes form part of these financial statements

PANTS TO POVERTY LTD

Balance sheet As at 31st October 2010 continued

	Notes	2010 £	2009 £
Capital and reserves			
Called up share capital:	9	1	1
Profit and Loss account:	10	(284,393)	(119,431)
Total shareholders funds:		<u>(284,392)</u>	<u>(119,430)</u>

For the year ending 31 October 2010 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

The financial statements were approved by the Board of Directors on 29 July 2011

SIGNED ON BEHALF OF THE BOARD BY:

Name: BEN RAMSDEN
Status: Director

The notes form part of these financial statements

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

1. Accounting policies

Basis of measurement and preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover policy

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover is recognised on despatch of goods to customers

Tangible fixed assets depreciation policy

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases: Office equipment - 25% straight line

Other accounting policies

Going concern In the period to 31 October 2010 the company incurred trading losses, as the level of turnover was insufficient to cover the company's expenditure. As a consequence, the company has net liabilities. The director has funded the company to date and has confirmed that he will not seek repayment of his loans to the company until such time as the company can afford to repay the loans. Post year end trading has been more successful. Costs have been curtailed and sales continued to grow, albeit at a much more manageable rate. In the period to 30 June 2010, the management accounts show a significantly increased gross profit and an overall profit. The director has prepared projections for future periods, which show that the company will generate profits and cash in the future. The working capital projections show that the company is adequately funded and will not need any additional funding. However, this is dependent on the company's customers paying for stock in the agreed timescales. Should this not occur, then the company may need to seek additional funding. As noted below, the company has raised additional funding in the period to 30 June 2011 and is confident that further funding will be available from a wide range of individuals. By its nature, the future availability of funding is uncertain. However, the director believes that the company will be able to continue as a going concern and accordingly has prepared accounts on the going concern basis. **Operating leases** Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate. **Stocks** Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. **Deferred taxation** Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted. **Foreign currencies** Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

2 . Turnover

Wholesale 2010 2009 UK 56,203 39,830 Other EU 85,634 35,085 Rest of world 38,835 33,394 Total 180,672 108,309
Other Online Retail 21,029 8,439 Grand Total 201,701 116,748

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

3 . Operating profit or (loss)

Profit before tax as stated after charging the following.

	2010	2009
	£	£
Depreciation - owned assets:	244	200

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

4 . Directors' remuneration

	2010	2009
	£	£
Directors' remuneration:	13,063	3,316
TOTAL:	<u>13,063</u>	<u>3,316</u>

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

5. Tangible assets

	Land and buildings	Plant Machinery	Fixtures and fittings	Office Equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 01st January 2010:	-	-	-	976	-	976
At 31st October 2010:	-	-	-	976	-	976
Depreciation						
At 01st January 2010:	-	-	-	400	-	400
Charge for year:	-	-	-	244	-	244
At 31st October 2010:	-	-	-	644	-	644
Net book value						
At 31st October 2010:	-	-	-	332	-	332
At 31st December 2009:	-	-	-	576	-	576

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

6. Stocks

	2010	2009
	£	£
Finished goods and goods for resale:	94,855	23,348
Total:	<u>94,855</u>	<u>23,348</u>

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

7. Debtors

	2010	2009
	£	£
Trade debtors:	30,719	16,688
Other debtors:	550	16,861
Prepayments and accrued income:	-	22,921
Total:	<u>31,269</u>	<u>56,470</u>

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

8. Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank loans and overdrafts:	1,808	0
Trade creditors:	5,802	0
Taxation and social security:	10,632	0
Accruals and deferred income:	56,739	15,589
Other creditors:	336,207	192,740
Total:	411,188	208,329

Other creditors cover Directors Loans (2010: £250,955, 2009: £185,073) and Crowd Funding & Other Loans (2010: £85,252, 2009: 7,667). "Crowd Funding - £27,500" During the year, the company obtained £27,500 of "Crowd Funding". This funding is unsecured and bears interest at a rate of 10% for the period of the loan. The funding was due to be repaid on 30 June 2010. As the Funding was not repaid by the due date the holders of the Funding had the right to convert the Funding into equity equivalent to 27.5% of the enlarged share capital. "Stock and Other Loans - £57,752" Stock and other loans bear interest at annualised rates of between ~24% and ~35%. The loans were repayable in the year. In the event interest has been waived. Directors' loans Directors' loans are interest free and there are no fixed terms for repayment. As regards loans of £232,223, the relevant director has confirmed that he will not seek repayment of the loan until such time as the company has sufficient funds. This loan is unsecured.

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

9. Called up share capital

Allotted, called up and paid

Previous period			2009
Class	Number of shares	Nominal value per share	Total
Ordinary shares:	1	1.00	1
Total share capital:			<u>1</u>
Current period			2010
Class	Number of shares	Nominal value per share	Total
Ordinary shares:	1	1.00	1
Total share capital:			<u>1</u>

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

10. Profit and loss account

	2010	2009
	£	£
Opening balance:	(119,431)	(57,909)
Profit or (loss) for the period:	(164,962)	(61,522)
Equity dividends paid:	0	0
Retained profit:	<u>(284,393)</u>	<u>(119,431)</u>

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

11. Related party disclosures

Name of the ultimate controlling party during the period:	Ben Ramsden
---	-------------

The directors funded the company during the year and the year end (and maximum) balance outstanding is shown in note 9. The company is controlled by the director through his 100% ownership of the company.

PANTS TO POVERTY LTD

Notes to the Financial Statements for the Period Ended 31st October 2010

12. Post balance sheet events

Subsequent to the year end, the company issued Pants Bonds to raise £12,500.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.