

Company Registration No. 06973805 (England and Wales)

LSE RETAIL GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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LSE RETAIL GROUP LIMITED

COMPANY INFORMATION

Directors	M E Blackburn B C Dixon D J R Gutfreund G J Payton I M Todd (Appointed 26 May 2015)
Company number	06973805
Registered office	Unit L1 Lyntown Trading Estate Eccles Manchester M30 9QG
Auditors	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Business address	Unit L1 Lyntown Trading Estate Eccles Manchester M30 9QG
Bankers	NatWest Bank Plc Manchester City Centre 11 Spring Gardens Manchester M60 2DB

LSE RETAIL GROUP LIMITED

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LSE RETAIL GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Review of the business

2015 was another successful year for the company with sales growth of 38% and Profit before Tax growth of 12%. We believe that we have the operational and management infrastructure in place to continue to deliver strong sales growth into 2016.

Principal risks and uncertainties

Due to the international nature of the business, we are at risk from adverse currency movements that are beyond our control. We do, however, mitigate this risk where possible through the hedging of appropriate currencies.

The company has experienced exceptional rates of growth since its inception so maintaining tight financial controls and retaining visibility of sales margins by sales channel, by customer and by product is a challenge. The company has successfully managed this risk to date and is in good shape to do so in the future.

The growth pattern of the company clearly leaves it vulnerable to funding issues particularly the financing of stock at peak points during the year. Cash flow planning and cash management is an area that the Company takes seriously and we are continually developing the sophistication of our forecasting processes.

We also need to ensure that our key trading partners are capable of coping with the same levels of growth that we are experiencing.

Key performance indicators

The business has a suite of key performance indicators that monitor trends on the key aspects of the business namely, sales, margins, operational efficiencies and working capital levels.

We closely monitor the breakdown of sales revenue (and sales margins) by customer channels, by individual customers and by products.

We continually monitor our stock levels and our stock profile. We measure our 'stock days' performance by individual product to ensure that slower moving items are visible and we take appropriate action to manage those products.

We continually monitor our trade debtors and 'debtor day' levels.

Future developments

The company is in a strong position to consolidate the current level of financial performance and to continue to grow in our chosen market places.

On behalf of the board



.....
D J R Gutfreund

Director

.....17.2.16

LSE RETAIL GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of the retailing of electric light fittings and bulbs.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M E Blackburn

B C Dixon

D J R Gutfreund

G J Payton

I M Todd

(Appointed 26 May 2015)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditors


In accordance with the company's articles, a resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of disclosure to auditors

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D J R Gutfreund

Director

17.2.16

LSE RETAIL GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice. 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 judgements 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.

LSE RETAIL GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LSE RETAIL GROUP LIMITED

We have audited the financial statements of LSE Retail Group Limited for the year ended 31 December 2015 set out on pages 6 to 21. 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.

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 Directors' Responsibilities Statement set out 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 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 material 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 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LSE RETAIL GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LSE RETAIL GROUP LIMITED

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.



Paul Daly (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

17 FEBRUARY 2016

**Chartered Accountants
Statutory Auditor**

St James Building
79 Oxford Street
Manchester
M1 6HT

LSE RETAIL GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	14,180,839	10,252,225
Cost of sales		(6,322,542)	(4,415,022)
Gross profit		7,858,297	5,837,203
Distribution costs		(3,114,327)	(2,326,605)
Administrative expenses		(2,807,597)	(1,778,290)
Other operating income		1,036	208
Operating profit	4	1,937,409	1,732,516
Interest receivable and similar income	7	1,066	-
Interest payable and similar charges	8	(44,868)	(41,184)
Profit before taxation		1,893,607	1,691,332
Taxation	9	(382,400)	(380,562)
Profit for the financial year		1,511,207	1,310,770
Total comprehensive income for the year		1,511,207	1,310,770

The profit and loss account has been prepared on the basis that all operations are continuing operations.

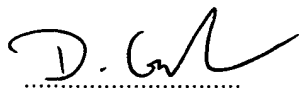
LSE RETAIL GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	10		498,829		455,732
Current assets					
Stocks	11	2,753,800		2,425,466	
Debtors falling due after one year	12	78,090		78,090	
Debtors falling due within one year	12	1,423,308		632,148	
Cash at bank and in hand		1,541,303		859,374	
		<u>5,796,501</u>		<u>3,995,078</u>	
Creditors: amounts falling due within one year	15	<u>(2,694,169)</u>		<u>(2,077,507)</u>	
Net current assets			3,102,332		1,917,571
Total assets less current liabilities			<u>3,601,161</u>		<u>2,373,303</u>
Creditors: amounts falling due after more than one year	16		(8,886)		(288,753)
Provisions for liabilities	17		(81,272)		(84,754)
Net assets			<u><u>3,511,003</u></u>		<u><u>1,999,796</u></u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss reserves			3,510,903		1,999,696
Total equity			<u><u>3,511,003</u></u>		<u><u>1,999,796</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17-2-16 and are signed on its behalf by:



D J R Gutfreund
Director

Company Registration No. 06973805

LSE RETAIL GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2014	100	688,926	689,026
Period ended 31 December 2014:			
Profit and total comprehensive income for the year	-	1,310,770	1,310,770
Balance at 31 December 2014	100	1,999,696	1,999,796
Period ended 31 December 2015:			
Profit and total comprehensive income for the year	-	1,511,207	1,511,207
Balance at 31 December 2015	100	3,510,903	3,511,003

LSE RETAIL GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	22	1,643,947		942,438	
Interest paid		(44,868)		(41,184)	
Income taxes paid		(518,778)		(253,847)	
Net cash inflow from operating activities		1,080,301		647,407	
Investing activities					
Purchase of tangible fixed assets		(187,780)		(464,531)	
Proceeds on disposal of tangible fixed assets		3,360		2,662	
Interest received		1,066		-	
Net cash used in investing activities		(183,354)		(461,869)	
Financing activities					
Repayment of borrowings		(70,394)		51,904	
Repayment of bank loans		(141,115)		96,253	
Payment of obligations under finance leases		(3,509)		(2,584)	
Net cash (used in)/generated from financing activities		(215,018)		145,573	
Net increase in cash and cash equivalents		681,929		331,111	
Cash and cash equivalents at beginning of year		859,374		528,263	
Cash and cash equivalents at end of year		1,541,303		859,374	

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

LSE Retail Group Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Unit L1, Lyntown Trading Estate, Eccles, Manchester, M30 9QG.

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.

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, modified to include certain items at fair value, and in accordance with FRS 102 issued by the Financial Reporting Council.

These financial statements for the year ended 31 December 2015 are the first financial statements of LSE Retail Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover from the sale of goods is recognised when the goods have been dispatched to the customer.

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:

Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line
Website development	33.3% straight line

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 recognised in the profit and loss account.

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value after making allowance for obsolete and slow moving stock lines. Stock cost comprises the finished goods purchase price and element of carriage and duty attributable to each item of stock in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.8 Financial assets

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Slow moving and obsolete stock provision

The demand for the company's products can be strongly influenced by fashion trends and/or technical innovations. Against that background, the Directors have reviewed the profile of the stockholding at year end on a product by product basis and made an assessment of the provision required in respect of slow moving and obsolete products. The Directors have concluded that stock is being properly valued at the lower of cost and net realisable value (see Note 1.6 for the definition of 'net realisable value').

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures, fittings and equipment, and have concluded that asset lives and residual lives are appropriate.

3 Turnover

An analysis of the company's turnover is as follows:

	2015	2014
	£	£
Turnover		
Sale of goods	14,180,839	10,252,225

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover (Continued)

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	14,080,502	10,207,225
Europe	100,337	45,000
	<u>14,180,839</u>	<u>10,252,225</u>

4 Operating profit 2015 £ 2014 £

Operating profit for the year is stated after charging/(crediting):

Fees payable to the company's auditors for the audit of the company's financial statements	18,247	12,500
Depreciation of owned tangible fixed assets	141,323	113,356
Depreciation of tangible fixed assets held under finance leases	-	1,437
Operating lease charges	<u>214,265</u>	<u>120,970</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Distribution	18	10
Sales	15	11
Administration	28	18
	<u>61</u>	<u>39</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,700,587	1,747,039
Social security costs	135,752	93,017
	<u>2,836,339</u>	<u>1,840,056</u>

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6	Directors' remuneration	2015	2014
		£	£
	Remuneration for qualifying services	274,985	190,575
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
	Remuneration for qualifying services	101,375	72,776
7	Interest receivable and similar income	2015	2014
		£	£
	Interest income		
	Interest on bank deposits	1,066	-
8	Interest payable and similar charges	2015	2014
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on finance leases and hire purchase contracts	1,012	328
	Interest on other loans	43,856	40,856
		44,868	41,184
9	Taxation	2015	2014
		£	£
	Current tax		
	UK corporation tax on profits for the current period	378,578	295,808
	Adjustments in respect of prior periods	7,304	-
	Total current tax	385,882	295,808
	Deferred tax		
	Origination and reversal of timing differences	(3,482)	84,754
	Total tax charge	382,400	380,562

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	1,893,607	1,691,332
Expected tax charge based on a corporation tax rate of 20.25%	383,455	363,467
Tax effect of expenses that are not deductible in determining taxable profit	102	20
Capital allowances in excess of depreciation	2,284	-
Other short term timing differences	-	2,256
Under/(over) provided in the year	7,304	-
Deferred tax adjustments in respect of prior years	(1,563)	18,213
Tax at marginal rate	(9,182)	(3,394)
Tax expense for the year	382,400	380,562

10 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 January 2015	572,360	87,506	659,866
Additions	165,983	21,797	187,780
Disposals	(40,711)	-	(40,711)
At 31 December 2015	697,632	109,303	806,935
Depreciation and impairment			
At 1 January 2015	142,132	62,002	204,134
Depreciation charged in the year	125,769	15,554	141,323
Eliminated in respect of disposals	(37,351)	-	(37,351)
At 31 December 2015	230,550	77,556	308,106
Carrying amount			
At 31 December 2015	467,082	31,747	498,829
At 31 December 2014	430,228	25,504	455,732

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £- (2014 - £1,437) for the year.

	2015 £	2014 £
Fixtures, fittings & equipment	-	2,463

11 Stocks

	2015 £	2014 £
Finished goods and goods for resale	2,753,800	2,425,466

12 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	690,829	505,434
Other debtors	592,879	20,189
Prepayments and accrued income	139,600	106,525
	<u>1,423,308</u>	<u>632,148</u>

Amounts falling due after one year:

Other debtors	<u>78,090</u>	<u>78,090</u>
Total debtors	<u>1,501,398</u>	<u>710,238</u>

13 Loans and overdrafts

	2015 £	2014 £
Bank loans	-	141,115
Directors' loans	100,000	100,000
Other loans	121,089	191,483
	<u>221,089</u>	<u>432,598</u>
Payable within one year	212,203	143,845
Payable after one year	<u>8,886</u>	<u>288,753</u>

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Loans and overdrafts

(Continued)

Director's loans comprise £100,000 due to D J R Gutfreund, The loan does not attract interest and has no fixed repayment term.

Other loans are repayable by monthly instalments. Interest is payable on these loans at between 6% and 7% per annum. All other loans will be settled by early 2017. Other loans are secured by way of a charge over the tangible fixed assets to which they relate.

14 Finance lease commitments

Future minimum lease payments due under finance leases:

	2015 £	2014 £
Within one year	-	3,509

15 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	13	212,203	143,845
Obligations under finance leases		-	3,509
Corporation tax payable		162,912	295,808
Other taxation and social security		564,876	293,731
Trade creditors		902,008	461,951
Other creditors		329,939	193,525
Accruals and deferred income		522,231	685,138
		<u>2,694,169</u>	<u>2,077,507</u>

16 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	13	8,886	288,753

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	81,272	84,754
	<u>81,272</u>	<u>84,754</u>
Movements in the year:		2015 £
Liability at 1 January 2015		84,754
Credit to profit and loss		(3,482)
		<u>81,272</u>
Liability at 31 December 2015		<u>81,272</u>

18 Provisions for liabilities

Notes	2015 £	2014 £
Deferred tax liabilities	81,272	84,754
	<u>81,272</u>	<u>84,754</u>

19 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
80 A Ordinary shares of £1 each	80	80
20 B Ordinary shares of £1 each	20	20
	<u>100</u>	<u>100</u>

LSE RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Operating lease commitments

Total commitments under operating leases amounted to £793,533.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	238,285	227,392
Between two and five years	555,248	750,195
	<u>793,533</u>	<u>977,587</u>

21 Related party transactions

During the year the company made sales of £4,874,163 (2014 - £3,098,777) to Beresford Grant Associates Limited, a company associated by common ownership. At the year end a debtor of £294,833 (2014 - creditor £53,525) was recorded with Beresford Grant Associates Limited.

During the year the company purchased £81,614 (2014 - £43,755) of services from I.C.O.M. International Limited, a shareholder of the company. At the year end a creditor of £12,420 (2014 - £10,733) was recorded in respect to these services.

22 Cash generated from operations

	2015 £	2014 £
Profit for the year	1,511,207	1,310,770
Adjustments for:		
Income tax expense recognised in profit or loss	382,400	380,562
Finance costs recognised in profit or loss	44,868	41,184
Investment income recognised in profit or loss	(1,066)	-
Depreciation and impairment of tangible fixed assets	141,323	114,793
Movements in working capital:		
(Increase) in stocks	(328,334)	(834,150)
(Increase) in debtors	(791,160)	(315,523)
Increase in creditors	684,709	244,802
Cash generated from operations	<u>1,643,947</u>	<u>942,438</u>