

Red and Yellow Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Tahas & Co Ltd
Certified Accountants & Tax Advisors
Suite 3, Second Floor
760 Eastern Avenue
Newbury Park
London
IG2 7HU

Red and Yellow Ltd

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Red and Yellow Ltd

Company Information

Directors	Mr David Charles Boulter Chaffinch Management Limited
Registered office	The Old Town Hall 4 Queens Road Wimbledon SW19 8YB
Accountants	Tahas & Co Ltd Certified Accountants & Tax Advisors Suite 3, Second Floor 760 Eastern Avenue Newbury Park London IG2 7HU

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Red and Yellow Ltd
for the Year Ended 31 December 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Red and Yellow Ltd for the year ended 31 December 2016 as set out on pages 3 to 15 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/gb/en/discover/public-value/rulbook.html>.

This report is made solely to the Board of Directors of Red and Yellow Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Red and Yellow Ltd and state those matters that we have agreed to state to the Board of Directors of Red and Yellow Ltd, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Red and Yellow Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Red and Yellow Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Red and Yellow Ltd. You consider that Red and Yellow Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Red and Yellow Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Tahas & Co Ltd
Certified Accountants & Tax Advisors
Suite 3, Second Floor
760 Eastern Avenue
Newbury Park
London
IG2 7HU

29 September 2017

Red and Yellow Ltd

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Profit/(loss) for the year		<u>153,975</u>	<u>(1,065,629)</u>
Total comprehensive income for the year		<u><u>153,975</u></u>	<u><u>(1,065,629)</u></u>

The notes on pages 7 to 15 form an integral part of these financial statements.

Red and Yellow Ltd

(Registration number: 07051667)

Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	<u>4</u>	4,168	8,337
Investments	<u>5</u>	29,870	37,334
		<u>34,038</u>	<u>45,671</u>
Current assets			
Debtors	<u>6</u>	55,870	200,807
Cash at bank and in hand		2,858	23,675
		58,728	224,482
Creditors: Amounts falling due within one year	<u>7</u>	(83,037)	(1,048,044)
Net current liabilities		<u>(24,309)</u>	<u>(823,562)</u>
Total assets less current liabilities		9,729	(777,891)
Creditors: Amounts falling due after more than one year	<u>7</u>	(2,902,547)	(2,413,901)
Net liabilities		<u>(2,892,818)</u>	<u>(3,191,792)</u>
Capital and reserves			
Called up share capital		12,629	12,331
Share premium reserve		767,453	622,752
Profit and loss account		<u>(3,672,900)</u>	<u>(3,826,875)</u>
Total equity		<u>(2,892,818)</u>	<u>(3,191,792)</u>

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 7 to 15 form an integral part of these financial statements.

Red and Yellow Ltd

(Registration number: 07051667)

Balance Sheet as at 31 December 2016

Approved and authorised by the Board on 29 September 2017 and signed on its behalf by:

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Mr David Charles Boulter

Director

The notes on pages 7 to 15 form an integral part of these financial statements.

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Red and Yellow Ltd

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2016	12,331	622,752	(3,826,875)	(3,191,792)
Profit for the year	-	-	153,975	153,975
Total comprehensive income	-	-	153,975	153,975
New share capital subscribed	298	144,701	-	144,999
At 31 December 2016	12,629	767,453	(3,672,900)	(2,892,818)

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2015	12,331	622,752	(2,761,246)	(2,126,163)
Loss for the year	-	-	(1,065,629)	(1,065,629)
Total comprehensive income	-	-	(1,065,629)	(1,065,629)
At 31 December 2015	12,331	622,752	(3,826,875)	(3,191,792)

The notes on pages 7 to 15 form an integral part of these financial statements.

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

The Old Town Hall

4 Queens Road

Wimbledon

SW19 8YB

These financial statements were authorised for issue by the Board on 29 September 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	50% on reducing balance
Office equipment	50% on reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 5 (2015 - 8).

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2016	48,375	48,375
At 31 December 2016	48,375	48,375
Depreciation		
At 1 January 2016	40,038	40,038
Charge for the year	4,169	4,169
At 31 December 2016	44,207	44,207
Carrying amount		
At 31 December 2016	4,168	4,168
At 31 December 2015	8,337	8,337

5 Investments

	2016 £	2015 £
Investments in subsidiaries	29,870	37,334
Subsidiaries		£
Cost or valuation		
At 1 January 2016		37,334
Provision		
Eliminated on disposals		7,464
Carrying amount		
At 31 December 2016		29,870
At 31 December 2015		37,334

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
Red and Yellow Campus Ltd		Ordinary	100%	100%
Popes Manor Ltd		Ordinary	100%	100%
R&Y NL Ltd		Ordinary	64%	64%
R&Y NL Management Ltd		Ordinary	100%	100%
Red and Yellow Memory Services Ltd		Ordinary	0%	56%
Red and Yellow Academy Ltd		Ordinary	0%	100%
Red and Yellow Digital Ltd		Ordinary	0%	100%
Red and Yellow Media Ltd		Ordinary	0%	100%
Red and Yellow LPL Ltd		Ordinary	0%	100%
Red and Yellow LPL Management Ltd		Ordinary	0%	100%

The principal activity of Red and Yellow Campus Ltd is Development of a specialist dementia campus

The principal activity of Popes Manor Ltd is Development of a specialist dementia campus

The principal activity of R&Y NL Ltd is Financial Holding

The principal activity of R&Y NL Management Ltd is Non Trading

The principal activity of Red and Yellow Memory Services Ltd is Specialists Medical practice activities

The principal activity of Red and Yellow Academy Ltd is Non Trading

The principal activity of Red and Yellow Digital Ltd is Non Trading

The principal activity of Red and Yellow Media Ltd is Non Trading

The principal activity of Red and Yellow LPL Ltd is Non Trading

The principal activity of Red and Yellow LPL Management Ltd is Non Trading

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

6 Debtors

	2016 £	2015 £
Trade debtors	20,400	31,000
Other debtors	35,470	169,807
	<hr/>	<hr/>
Total current trade and other debtors	55,870	200,807
	<hr/>	<hr/>

7 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and other borrowings	8	-	225,000
Trade creditors		5,016	67,147
Amounts owed to group undertakings and undertakings in which the company has a participating interest and Directors' current accounts		5,464	6,448
Taxation and social security		28,182	183,778
Other creditors		44,375	565,671
		<hr/>	<hr/>
		83,037	1,048,044
		<hr/>	<hr/>
Due after one year			
Other non-current financial liabilities		2,902,547	2,413,901
		<hr/>	<hr/>

8 Loans and borrowings

	2016 £	2015 £
Current loans and borrowings		
Other borrowings	-	225,000
	<hr/>	<hr/>

9 Financial commitments, guarantees and contingencies

The total amount of contingencies not included in the balance sheet is £650,121 (2015 - £283,000). Consultancy fees are contingent upon the company achieving future milestones.

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

10 Transition to FRS 102

Balance Sheet at 1 January 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	12,957	-	-	12,957
Investments	32,246	-	-	32,246
	<u>45,203</u>	<u>-</u>	<u>-</u>	<u>45,203</u>
Current assets				
Debtors	218,842	-	-	218,842
Cash at bank and in hand	67,838	-	-	67,838
	<u>286,680</u>	<u>-</u>	<u>-</u>	<u>286,680</u>
Creditors: Amounts falling due within one year	<u>(171,650)</u>	<u>-</u>	<u>-</u>	<u>(171,650)</u>
Net current assets	<u>115,030</u>	<u>-</u>	<u>-</u>	<u>115,030</u>
Total assets less current liabilities	160,233	-	-	160,233
Creditors: Amounts falling due after more than one year	<u>(2,286,397)</u>	<u>-</u>	<u>-</u>	<u>(2,286,397)</u>
Net liabilities	<u>(2,126,164)</u>	<u>-</u>	<u>-</u>	<u>(2,126,164)</u>
Capital and reserves				
Called up share capital	12,331	-	-	12,331
Share premium reserve	622,752	-	-	622,752
Profit and loss account	<u>(2,761,247)</u>	<u>-</u>	<u>-</u>	<u>(2,761,247)</u>
Total equity	<u>(2,126,164)</u>	<u>-</u>	<u>-</u>	<u>(2,126,164)</u>

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

Balance Sheet at 31 December 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	8,337	-	-	8,337
Investments	37,334	-	-	37,334
	<u>45,671</u>	<u>-</u>	<u>-</u>	<u>45,671</u>
Current assets				
Debtors	200,808	-	-	200,808
Cash at bank and in hand	23,675	-	-	23,675
	<u>224,483</u>	<u>-</u>	<u>-</u>	<u>224,483</u>
Creditors: Amounts falling due within one year	<u>(1,048,045)</u>	<u>-</u>	<u>-</u>	<u>(1,048,045)</u>
Net current liabilities	<u>(823,562)</u>	<u>-</u>	<u>-</u>	<u>(823,562)</u>
Total assets less current liabilities	<u>(777,891)</u>	<u>-</u>	<u>-</u>	<u>(777,891)</u>
Creditors: Amounts falling due after more than one year	<u>(2,413,901)</u>	<u>-</u>	<u>-</u>	<u>(2,413,901)</u>
Net liabilities	<u>(3,191,792)</u>	<u>-</u>	<u>-</u>	<u>(3,191,792)</u>
Capital and reserves				
Called up share capital	12,331	-	-	12,331
Share premium reserve	622,752	-	-	622,752
Profit and loss account	<u>(3,826,875)</u>	<u>-</u>	<u>-</u>	<u>(3,826,875)</u>
Total equity	<u>(3,191,792)</u>	<u>-</u>	<u>-</u>	<u>(3,191,792)</u>

Red and Yellow Ltd

Notes to the Financial Statements for the Year Ended 31 December 2016

Profit and Loss Account for the year ended 31 December 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover	753,000	-	-	753,000
Administrative expenses	(1,568,629)	-	-	(1,568,629)
Operating loss	(815,629)	-	-	(815,629)
Amounts written off investments	(250,000)	-	-	(250,000)
	(250,000)	-	-	(250,000)
Loss before tax	(1,065,629)	-	-	(1,065,629)
Loss for the financial year	(1,065,629)	-	-	(1,065,629)

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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.