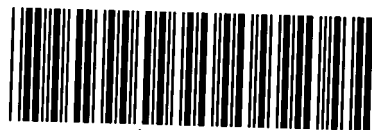

MK DATAVAULT TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

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MK DATAVAULT TRADING LIMITED

COMPANY INFORMATION

Directors	P M Beckwith E A G Jones C T Van Dam T J Veroni J M P De Lisle
Company secretary	A D Parker
Registered number	07713915
Registered office	Suite 5, 11 Riverside Dogflud Way Farnham Surrey GU9 7UG
Independent auditor	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY

MK DATAVAULT TRADING LIMITED

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MK DATAVAULT TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2019

The Directors present their report and the financial statements for the year ended 31 January 2019.

Principal activity

The principal activity of the Company is that of property development.

Directors

The Directors who served during the year were:

P M Beckwith
E A G Jones
C T Van Dam
T J Veroni
J M P De Lisle

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

MK DATAVAULT TRADING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2019**

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies exemption

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



P M Beckwith
Director

Date: 30 October 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MK DATAVAULT TRADING LIMITED

Opinion

We have audited the financial statements of Mk Datavault Trading Limited (the 'Company') for the year ended 31 January 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MK DATAVAULT TRADING LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MK DATAVAULT TRADING LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Nexia Smith & Williamson

Jacqueline Oakes (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

25 Moorgate
London
EC2R 6AY

31 October 2019

MK DATAVAULT TRADING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2019**

	Note	2019 £	2018 £
Administrative expenses		(157,687)	(98,202)
Other operating income		120,499	119,302
Operating (loss)/profit		<u>(37,188)</u>	<u>21,100</u>
Interest receivable and similar income		81	16
Interest payable and expenses	5	(457,598)	(399,019)
Loss before tax		<u>(494,705)</u>	<u>(377,903)</u>
Loss for the financial year		<u>(494,705)</u>	<u>(377,903)</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>(494,705)</u>	<u>(377,903)</u>

The notes on pages 9 to 18 form part of these financial statements.

MK DATAVAULT TRADING LIMITED
REGISTERED NUMBER:07713915

BALANCE SHEET
AS AT 31 JANUARY 2019

	Note	2019 £	2018 £
Current assets			
Stocks	6	10,785,194	10,431,717
Debtors: amounts falling due within one year	7	7,804	9,156
Cash at bank and in hand		20,432	95,124
		<u>10,813,430</u>	<u>10,535,997</u>
Creditors: amounts falling due within one year	8	(3,465,052)	(5,241,104)
Net current assets		<u>7,348,378</u>	<u>5,294,893</u>
Total assets less current liabilities		<u>7,348,378</u>	<u>5,294,893</u>
Creditors: amounts falling due after more than one year	9	(3,548,188)	(1,000,000)
Net assets		<u><u>3,800,190</u></u>	<u><u>4,294,893</u></u>
Capital and reserves			
Called up share capital	12	7,223,545	7,223,543
Profit and loss account	13	(3,423,355)	(2,928,650)
Total equity		<u><u>3,800,190</u></u>	<u><u>4,294,893</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 were approved and authorised for issue by the board and were signed on its behalf by:


P M Beckwith
 Director

Date: 30 October 2019

The notes on pages 9 to 18 form part of these financial statements.

MK DATAVAULT TRADING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2017	7,223,543	(2,550,747)	4,672,796
Loss for the year	-	(377,903)	(377,903)
At 1 February 2018	7,223,543	(2,928,650)	4,294,893
Loss for the year	-	(494,705)	(494,705)
Shares issued during the year	2	-	2
At 31 January 2019	7,223,545	(3,423,355)	3,800,190

The notes on pages 9 to 18 form part of these financial statements.

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

1. General information

MK Datavault Trading Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

The Company's functional and presentational currency is GBP.

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 current assets of £7,348,378 (2018: £5,294,893) and net assets of £3,800,190 (2018: £4,294,893). The Directors have performed an assessment of the Company's ability to meet its liabilities as and when they fall due. The related party loan facilities including all accrued interest are repayable on sale of the property asset, at which point the Company will have the cash to settle the liabilities. The external debt is also repayable on sale of the property asset or June 2020, whichever is earlier. The ultimate controlling party has provided a formal loan facility that is sufficient to cover the external debt interest repayments along with any short term operational costs that arise. Should the property not be sold by June 2020 then the external loan facility will need to be extended or refinanced. The Directors are confident that should this be required finance would be forthcoming. On this basis, the Directors have concluded that the Company can continue as a going concern.

The ultimate controlling party has confirmed he will not seek repayment of the sums due to it at the balance sheet date unless the Company has sufficient funds to still meet its liabilities as they fall due. The ultimate controlling party has also confirmed he will provide financial support, as necessary, for the Company to meet its liabilities as they fall due.

2.3 Revenue

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Revenue from the sale of properties is recognised on legal exchange.

Sale of goods

Turnover from the sale of development property/real estate is recognised when the significant risks and rewards of ownership of the property has transferred to the buyer. This is usually at the point that the development is completed and transfer of title to the property has occurred.

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.4 Other operating income

This is primarily rental income.

Rental income is recognised on the basis of the amount receivable for the year. Where there is a material rent free period on the lease incentive, and the amount is considered to be recoverable, the income is spread evenly over the lease term. The lease term represents the non-cancellable period for which the lessee has contract to lease the asset together with any further terms for the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Rents received in advance are shown as deferred income in the statement of financial position.

2.5 Leases

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6 Stocks

Stocks are carried at cost less impairment provision.

Cost includes the cost of acquisition of property, stamp duty, legal and professional fees relating to the acquisition of a property and in obtaining planning consents, together with the costs of construction and redevelopment. Borrowing costs are not capitalised.

The Company assesses at each year end whether any stock is impaired. This assessment is made by comparing the carrying amount of a stock item with its selling price less costs to complete and sell. Selling price is calculated by estimating the likely end sales value of completed developments less all necessary future development and disposal costs. If an item of stock is impaired the company reduces the carrying amount to its selling price less costs to complete and sell; the resulting impairment loss is recognised immediately in profit or loss. When the circumstances that previously caused stock to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changes economic circumstances, the company reverses the amount of the impairment so that the new carrying amounts is the lower of the cost and the revised selling price less costs to complete and sell.

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Cash and cash equivalents

Cash is represented by cash on hand and demand deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. Bank overdraft is used to fund day to day operations of the Company and is included within Creditors.

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.9 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price, including transaction costs. Except for those financial assets and liabilities classified as at fair value through profit or loss, where they are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria for a basic financial instrument, are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.10 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

Financial assets comprise trade and other debtors.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have to make judgements on how to apply the LLP's accounting policies and make estimates about the future. The critical judgements that have been made in arriving at the amounts recognised in the financial statements and the key sources of estimation uncertainty that have significant risks of causing a material adjustment to the carrying value of assets and liabilities in the next financial year are discussed below:

i) Impairment of assets

In determining the value of stock in the financial statements, the directors have estimated the net realisable value of the development at the balance sheet date. This is assessed as the anticipated future sales value of the development. However, in the absence of a sale there is a judgement over the valuation. The valuation is reviewed on an annual basis by the directors with reference to external valuations and market conditions.

ii) Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

4. Employees

The average monthly number of employees, including directors, during the year was 6 (2018 - 6).

MK DATAVAULT TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

5. Interest payable and similar expenses

	2019 £	2018 £
Bank and other interest payable	457,598	399,019
	<u>457,598</u>	<u>399,019</u>

6. Stocks

	2019 £	2018 £
Raw materials and consumables	13,392,063	13,039,646
Work in progress (goods to be sold)	(2,606,869)	(2,607,929)
	<u>10,785,194</u>	<u>10,431,717</u>

7. Debtors

	2019 £	2018 £
Other debtors	7,804	9,156
	<u>7,804</u>	<u>9,156</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts due to related undertakings	3,174,421	4,655,535
Trade creditors	2,244	2,520
Other taxation and social security	3,308	4,943
Accruals and deferred income	285,079	578,106
	<u>3,465,052</u>	<u>5,241,104</u>

MK DATAVAULT TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

9. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	3,548,188	-
Convertible loans	-	1,000,000
	<u>3,548,188</u>	<u>1,000,000</u>

10. Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Other loans	2,879,911	1,411,025
Convertible loans	-	3,000,000
	<u>2,879,911</u>	<u>4,411,025</u>
Non-current loans and borrowings		
Bank loans	3,548,188	-
Convertible loans	-	1,000,000
	<u>3,548,188</u>	<u>1,000,000</u>

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

Loans and borrowings (continued)

Convertible Loans:

During the year, the company repaid the convertible loans totalling £3,000,000 payable to a related party.

Current loans:

Other loans comprise the following related party loans:

- a related party loan of £1,080,275 (2018: £1,080,275) which is interest free and is repayable on demand.
- a related party loan of £468,885 was provided during the year (2018: £nil) which incurs interest at 5% per annum and is repayable on demand, with a facility limit of £900,000.
- a related party loan of £330,750 which was restructured during the year. This loan is interest free and repayable on demand (2018: £330,750 which incurred interest at 10% per annum).
- a related party loan of £1,201,046 (2018: £1,000,000) which incurs interest at 10% per annum and repayable on demand.

Non-current loans:

During the current year, the Company entered into a new loan facility agreement to settle the obligations relating to the convertible loans payable at 31 January 2018. This loan has a facility limit of £3,575,000, repayable 24 months from the date of drawing. The loan has an interest rate of 6.85% + 3 month LIBOR.

The loan is secured by way of the a fixed and floating charge including the first legal charge over the property, a charge over the rental income from the property and assignment over any leases and material contracts, and a charge over the shares of the Company.

11. Deferred taxation

At 31 January 2019 the Company had an unprovided deferred tax asset of £498,334 (2018: 484,4728) in respect of tax losses available for relief against future trading profits.

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,417,658 (2018 - 7,223,543) Ordinary A shares of £1.00 each	5,417,658	7,223,543
1,805,885 (2018 - Nil) Ordinary B shares of £1.00 each	1,805,885	-
1 (2018 - Nil) Ordinary C share of £1.00	1	-
1 (2018 - Nil) Ordinary D share of £1.00	1	-
	<u>7,223,545</u>	<u>7,223,543</u>

MK DATAVAULT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

12. Share capital (continued)

Shares issued during the year

During the year the Company revised the existing share structure to introduce additional share classes being: Ordinary A, Ordinary B, Ordinary C, and Ordinary D shares. This resulted in a redesignation of the existing ordinary shares as follows:

- re-designate 5,417,658 £1.00 Ordinary shares to £1.00 Ordinary A shares.
- re-designate 1,805,885 £1.00 Ordinary shares to £1.00 Ordinary B shares.

In addition, the Company issued 1 £1.00 Ordinary C share and 1 £1.00 Ordinary D share during the period.

Rights associated with each class of shares

The Ordinary A Share shall confer the right on its holder to receive notice of, to be present and speak at and to vote, either in person or by proxy, at any general meeting of the company or by way of written resolution.

The Ordinary B, C and D Shares shall confer on their holders no rights to vote, be present at or speak at, either in person or by proxy, at any general meeting of the company or by way of written resolution.

On sale or exit, the allocation of proceeds, other distribution of assets and other dividends shall be in accordance with the order of priority as set out the Company's Articles of Association.

13. Reserves

Profit and loss account

The profit and loss account represents accumulated profits earned and losses incurred by the company.

14. Related party transactions

During the year, the Company was charged £50,000 (2018: £50,000) of management fees, £6,250 (2018: £3,232) for the provision of accountancy services and £3,750 (2018: £3,750) of other expenses by a Company under common control. At the year end the amount owing was £294,510 (2018: £244,510).

During the year, the Company repaid £3,000,000 (2018: nil) to a related party to settle a loan balance. At the year end the outstanding balance was £330,750 (2018: 3,330,750).

The Company owes a related party £1,258,732 (2018: £1,140,548) which incurs interest at 10% per annum and is repayable on demand.

During the year, the ultimate controlling party provided additional funding to the Company of £468,885 (2018: £Nil). At the year end the amount outstanding was £1,559,922 including interest (2018: £1,080,275). Interest is charged at 5% on the additional funding.

The total amount due to related parties at the balance sheet date was £3,433,153 (2018: £5,411,025).

MK DATAVAULT TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

15. Controlling party

The ultimate controlling party is P M Beckwith.