

# Financial Statements

## GOL Investment Limited

(Formerly Cocosa Investment Ltd)

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**For the year ended 31 March 2014**

**Registered number: 07890500**



## Company Information

|                            |   |
|----------------------------|---|
| <b>Directors</b>           | Mr J Byrne<br>Mr R J Fallowfield<br>Mr A Morgan   |
| <b>Company secretary</b>   | Mr R J Fallowfield  |
| <b>Registered number</b>   | 07890500  |
| <b>Registered office</b>   | Suite 5<br>55 Park Lane<br>London<br>W1K 1NA  |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>Grant Thornton House<br>Melton Street<br>Euston Square<br>London<br>NW1 2EP |
| <b>Bankers</b>             | Allied Irish Bank Plc<br>10 Berkley Square<br>London<br>W1J 6AA   |
| <b>Solicitors</b>          | Bird & Bird LLP<br>15 Fetter Lane<br>London<br>EC4A 1JP   |

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## **Directors' Report**

**For the year ended 31 March 2014**

The directors present their report and the financial statements for the year ended 31 March 2014.

### **Principal activities**

The principal activity of the group was importing and reselling branded fashion apparel, accessories and beauty products in time limited sales through its website, at discounted retail prices.

### **Business review and Going Concern Basis**

Following a period of review of the business of Cocosa Lifestyle Limited, the Directors of that Company concluded that there were no realistic prospects of achieving commercial success and profitability within an acceptable timeframe, and without substantial additional investment. As a result, in the autumn of 2013, the decision was taken to conduct an orderly winding-down of that Company's activities, leading to the shut-down of the website on 14 February 2014 and the termination by redundancy of all staff over a planned period ending on 31 March 2014. Cocosa Lifestyle Limited had some remaining physical and intangible assets and a number of medium-term contractual liabilities, all of which needed to be sold or resolved in an orderly fashion. The most significant event was the sale of the entire share capital of Cocosa Lifestyle Limited on 23 May 2014 to a company which wished to enter the UK marketplace with the benefit of the large customer database which Cocosa Lifestyle Limited owned, but which could not legally be sold as a discrete asset as this would have contravened Data Protection legislation. Following the sale of its interest in Cocosa Lifestyle Limited, the parent company changed its name from Cocosa Investment Limited to GOL Investment Limited and commenced a process of an orderly winding-down of its own remaining assets and liabilities. This process is not yet complete.

The immediate and ultimate parent companies have provided assurances that financial support will be provided as required to enable the Company to settle all of its liabilities as they fall due. This is detailed further within the Going Concern section of the Accounting Policies.

### **Results**

The loss for the year, after taxation, amounted to £5,868,804 (2013 - loss £12,655,061).

### **Directors**

The directors who served during the year and to the date of the signing of the financial statements were:

Mr J Byrne  
Mr R J Fallowfield  
Ms C Fayed (resigned 19 December 2014)  
Mr S Lewis (appointed 22 May 2013 & resigned 3 April 2014)  
Mr A Morgan (appointed 28 January 2015)

# Directors' Report

For the year ended 31 March 2014

## 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group 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 that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- that 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 and the group's auditor is aware of that information.

## Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 on 30<sup>th</sup> January 2015 and signed on its behalf.

  
Mr R J Fallowfield  
Director



## Independent Auditor's Report to the Members of GOL Investment Limited

We have audited the financial statements of GOL Investment Limited for the year ended 31 March 2014, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and the related notes. 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).

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 auditor**

As explained more fully in the Directors' responsibilities statement, 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 (APB's) Ethical Standards for Auditors. Because of the matters described in the Basis for Disclaimer of Opinion on Consolidated Financial Statements paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Basis of disclaimer of opinion on consolidated financial statements**

In seeking to form an opinion on the consolidated financial statements we considered the implications of management no longer having access to the required data that would be used to verify the following matters:

- Revenue recognition and existence
- Cost of sales completeness
- Journal entries

As a result we have been unable to obtain sufficient audit evidence concerning the consolidated profit and loss account and consolidated balance sheet. Given the pervasiveness of the areas highlighted we are unable to quantify any potential misstatement.

### **Disclaimer of opinion on consolidated financial statements**

Because of the significance of the matters, described in the Basis for Disclaimer of Opinion on Consolidated Financial Statements paragraph, to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the consolidated financial statements.



## Independent Auditor's Report to the Members of GOL Investment Limited

### **Opinion on parent company financial statements**

In our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 31 March 2014 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

Notwithstanding our disclaimer of opinion on consolidated financial statements, in our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

Arising from the limitation of work referred to above in respect of the consolidated financial statements:

- we have not obtained all the information and explanations that we have considered necessary for the purpose of our group audit.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 of the parent company financial statements.

*Grant Thornton UK LLP*

Marc Summers (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London

Date: 30/01/15

# Consolidated Profit and Loss Account

For the year ended 31 March 2014

|  | Note | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|--|------|-------------------------------|-------------------------------|
| <b>Turnover</b>                                    | 1,2  |                               |                               |
| - Continuing operations                            |      | -                             | -                             |
| - Discontinued operations                          | 4    | 4,779,430                     | 7,559,890                     |
| Total turnover                                     |      | 4,779,430                     | 7,559,890                     |
| Cost of sales                                      |      | (3,544,459)                   | (6,741,719)                   |
| <b>Gross profit</b>                                |      | 1,234,971                     | 818,171                       |
| Distribution costs                                 |      | (248,518)                     | (599,784)                     |
| Administrative expenses                            |      | (5,093,843)                   | (9,145,826)                   |
| Exceptional administrative expenses                |      |                               |                               |
| - Continuing operations                            | 4    | (1,369,007)                   | -                             |
| - Discontinued operations                          | 4    | -                             | (3,333,333)                   |
| Total administrative expenses                      |      | (6,462,850)                   | (12,479,159)                  |
| <b>Operating loss</b>                              |      |                               |                               |
| - Continuing operations                            | 4    | (1,368,683)                   | 386,882                       |
| - Discontinued operations                          | 4    | (4,107,714)                   | (12,647,654)                  |
| Total operating loss                               | 3    | (5,476,397)                   | (12,260,772)                  |
| Interest receivable and similar income             |      | 575                           | 914                           |
| Interest payable and similar charges               | 7    | (392,982)                     | (395,203)                     |
| <b>Loss on ordinary activities before taxation</b> |      | (5,868,804)                   | (12,655,061)                  |
| Tax on loss on ordinary activities                 | 8    | -                             | -                             |
| <b>Loss for the financial year</b>                 | 18   | (5,868,804)                   | (12,655,061)                  |

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.



# Consolidated Balance Sheet

As at 31 March 2014

|  | Note | £           | 2014<br>£    | £           | 2013<br>£    |
|--|------|-------------|--------------|-------------|--------------|
| <b>Fixed assets</b>  |      |             |              |             |              |
| Intangible assets  | 9    |             | -            |             | -            |
| Tangible assets  | 10   |             | -            |             | 465,911      |
|  |      |             | -            |             | 465,911      |
| <b>Current assets</b>  |      |             |              |             |              |
| Stocks   | 12   | -           |              | 1,284,473   |              |
| Debtors  | 13   | 495,156     |              | 566,580     |              |
| Cash at bank and in hand                                       |      | 302,896     |              | 987,886     |              |
|  |      | 798,052     |              | 2,838,939   |              |
| <b>Creditors: amounts falling due within one year</b>          | 14   | (1,697,909) |              | (2,460,898) |              |
| <b>Provisions</b>  | 15   | (1,369,007) |              | -           |              |
| <b>Net current (liabilities) / assets</b>                      |      |             | (2,268,864)  |             | 378,041      |
| <b>Total assets less current liabilities</b>                   |      |             | (2,268,864)  |             | 843,952      |
| <b>Creditors: amounts falling due after more than one year</b> | 16   |             | (22,155,988) |             | (19,400,000) |
| <b>Net liabilities</b>   |      |             | (24,424,852) |             | (18,566,048) |
| <b>Capital and reserves</b>                                    |      |             |              |             |              |
| Called up share capital  | 17   |             | 1            |             | 1            |
| Profit and loss account  | 18   |             | (24,424,853) |             | (18,556,049) |
| <b>Shareholders' deficit</b>                                   | 19   |             | (24,424,852) |             | (18,556,048) |

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30<sup>th</sup> January 2015

*R Fallowfield*  
Mr R J Fallowfield  
Director

The notes on pages 9 to 21 form part of these financial statements.

## Company Balance Sheet

As at 31 March 2014

|  | Note | £                  | 2014<br>£           | £            | 2013<br>£           |
|--|------|--------------------|---------------------|--------------|---------------------|
| <b>Fixed assets</b>  |      |                    |                     |              |                     |
|  | 11   |                    | 1                   |              | 1                   |
| Investments  |      |                    |                     |              |                     |
| <b>Current assets</b>  |      |                    |                     |              |                     |
| Debtors  | 13   | 456,425            |                     | 1            |                     |
| Cash at bank   |      | <u>560</u>         |                     | <u>1,848</u> |                     |
|  |      | 456,985            |                     | 1,849        |                     |
| <b>Creditors: amounts falling due within one year</b>          | 14   | (974,943)          |                     | (583,715)    |                     |
| Provisions   | 15   | <u>(1,369,007)</u> |                     | <u>-</u>     |                     |
| <b>Net current liabilities</b>                                 |      |                    | <u>(1,886,964)</u>  |              | <u>(581,866)</u>    |
| <b>Total assets less current liabilities</b>                   |      |                    | (1,886,963)         |              | (581,865)           |
| <b>Creditors: amounts falling due after more than one year</b> | 16   | (22,155,988)       |                     | (19,400,000) |                     |
| <b>Net liabilities</b>   |      |                    | <u>(24,042,951)</u> |              | <u>(19,981,865)</u> |
| <b>Capital and Reserves</b>                                    |      |                    |                     |              |                     |
| Called up share capital  | 17   |                    | 1                   |              | 1                   |
| Profit and loss account  | 18   |                    | <u>(24,042,953)</u> |              | <u>(19,981,866)</u> |
| <b>Shareholders' deficit</b>                                   | 19   |                    | <u>(24,042,952)</u> |              | <u>(19,981,865)</u> |

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *30<sup>th</sup> January 2015.*

*R Fallowfield*

**Mr R J Fallowfield**

Director

The notes on pages 9 to 21 form part of these financial statements.

## Consolidated Cash Flow Statement

For the year ended 31 March 2014

|   |      | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|---|------|-------------------------------|-------------------------------|
|   | Note |                               |                               |
| Net cash flow from operating activities         | 20   | (3,453,725)                   | (6,102,617)                   |
| Returns on investments and servicing of finance | 21   | 575                           | 914                           |
| Capital expenditure and financial investment    | 21   | 12,172                        | (320,316)                     |
| <b>Cash outflow before financing</b>            |      | <b>(3,440,978)</b>            | <b>(6,422,019)</b>            |
| Financing                                       | 21   | 2,755,988                     | 6,665,540                     |
| <b>(Decrease)/increase in cash in the year</b>  |      | <b><u>(684,990)</u></b>       | <b><u>243,521</u></b>         |

## Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 March 2014

|   | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|---|-------------------------------|-------------------------------|
| (Decrease)/increase in cash in the year | (684,990)                     | 243,521                       |
| Increase in debt in the year            | <u>(2,755,988)</u>            | <u>(7,060,743)</u>            |
| <b>Movement in net debt in the year</b> | <b>(3,440,978)</b>            | <b>(6,817,222)</b>            |
| Net debt at 1 April 2013                | <b><u>(18,412,114)</u></b>    | <b><u>(11,594,892)</u></b>    |
| <b>Net debt at 31 March 2014</b>        | <b><u>(21,853,092)</u></b>    | <b><u>(18,412,114)</u></b>    |

The notes on pages 9 to 21 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 March 2014

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### 1.2 Basis of consolidation

The financial statements consolidate the accounts of GOL Investment Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

Following the sale of Cocosa Lifestyle Ltd, that company changed its year-end to 30 June 2014. These consolidated accounts include results from the management accounts of Cocosa Lifestyle Ltd for the year-ended 31 March 2014, adjusted for the known impact of the subsequent sale.

### 1.3 Going concern

The financial statements have been prepared on a going concern basis.

The Company's main source of finance for operating losses, working capital and capital expenditure in excess of funds generated internally are interest-bearing loans from its immediate parent company. Third-party sources of finance, such as equipment leases are utilised where available and economic, but these are very minor.

The Company has received assurances from the Directors of its immediate parent company that no repayment demand will be made which would either cause the repayments to be a preference of a creditor or which would cause the Company to become technically insolvent. The immediate parent company and the ultimate controlling parent company have both provided comfort that funds will be made available, for at least twelve months from the date the balance sheet has been signed to meet creditors as they fall due.

The Company's main commercial risk is that it will fail to sub-let its remaining office premises at a rent sufficient to cover the outgoings.

### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of fashion items delivered during the year, exclusive of Value Added Tax and trade discounts.

# Notes to the Financial Statements

For the year ended 31 March 2014

## 1. Accounting Policies (continued)

### 1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

|          |                     |
|----------|---------------------|
| Goodwill | - 20% straight line |
|----------|---------------------|

The carrying value of the goodwill is reviewed for impairment at the end of its first full financial year, following recognition of the goodwill, and, in subsequent periods, when events or changes in circumstances indicate that the carrying value may not be recoverable.

### 1.6 Tangible fixed assets and depreciation

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:

|                        |                              |
|------------------------|------------------------------|
| Leasehold improvements | - Over the term of the lease |
| Fixtures & fittings    | - 33% straight line          |
| Computer equipment     | - 33% straight line          |
| Other fixed assets     | - 33% straight line          |

### 1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

### 1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

### 1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

# Notes to the Financial Statements

For the year ended 31 March 2014

## 1. Accounting policies (continued)

### 1.10 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.

### 1.11 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.

### 1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## 2. Turnover

The whole of the turnover is attributable to the group's principal activity.

All turnover arose within the United Kingdom.

## Notes to the Financial Statements

For the year ended 31 March 2014

**3. Operating loss**

The operating loss is stated after charging/(crediting):

|  | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|--|-------------------------------|-------------------------------|
| Amortisation - intangible fixed assets | -                             | 1,000,000                     |
| Depreciation of tangible fixed assets: |                               |                               |
| - owned by the group                   | 388,375                       | 392,613                       |
| Loss on disposal of fixed assets       | 65,366                        | -                             |
| Auditor's remuneration                 | 7,500                         | 7,500                         |
| Auditor's remuneration - non-audit     | 3,000                         | 14,000                        |
| Operating lease rentals:               |                               |                               |
| - other operating leases               | 155,481                       | 108,420                       |
| Difference on foreign exchange (Gain)  | (7,909)                       | (2,625)                       |
| Provision for closure costs            | 1,369,007                     | -                             |
| Goodwill - impairment charge           | -                             | 3,333,333                     |

Auditor's fees for the company were £7,500 (2013 - £7,500)

**4. Continuing and discontinued operations**

|   | Discontinued operations       |                               | Continuing operations         |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
| Turnover                                    | 4,779,430                     | 7,558,224                     | -                             | 1,666                         |
| Cost of sales                               | (3,544,459)                   | (6,741,719)                   | -                             | -                             |
|   |                               |                               | -                             | 1,666                         |
| Gross profit                                | 1,234,971                     | 816,505                       | -                             | -                             |
| Distribution costs                          | (248,518)                     | (599,784)                     | -                             | -                             |
| Administrative expenses                     | (5,094,167)                   | (9,531,042)                   | 324                           | 385,216                       |
| Exceptional administrative expenses         | -                             | (3,333,333)                   | (1,369,007)                   | -                             |
| Total administrative expenses               | (5,094,167)                   | (12,864,375)                  | (1,368,683)                   | 385,216                       |
| Operating loss                              | (4,107,714)                   | (12,647,654)                  | (1,368,683)                   | 386,882                       |
| Interest receivable and similar income      | 575                           | 914                           | -                             | -                             |
| Interest payable and similar charges        | (392,982)                     | (395,203)                     | -                             | -                             |
| Loss on ordinary activities before taxation | (4,500,121)                   | (13,041,943)                  | (1,368,683)                   | 386,882                       |

## Notes to the Financial Statements

For the year ended 31 March 2014

**5. Staff costs**

Staff costs, including directors' remuneration, were as follows:

|                       | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|-----------------------|-------------------------------|-------------------------------|
| Wages and salaries    | 1,654,918                     | 1,976,247                     |
| Social security costs | 150,945                       | 199,457                       |
| Other pension costs   | 28,293                        | 45,309                        |
| Other benefits        | 23,372                        | -                             |
|                       | <u>1,857,528</u>              | <u>2,221,013</u>              |

The average monthly number of employees, including the directors, during the year was as follows:

|                                 | Year<br>31 March<br>2014<br>No. | Year<br>31 March<br>2013<br>No. |
|---------------------------------|---------------------------------|---------------------------------|
| Admin and Buying                | 10                              | 20                              |
| Design, Editorial and Marketing | 5                               | 12                              |
| Technology and IT               | 4                               | 5                               |
| Operations and Production       | 11                              | 15                              |
|                                 | <u>30</u>                       | <u>52</u>                       |

**6. Directors' remuneration**

During the year retirement benefits were accruing to 1 director (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £91,367 (2013 - £100,458).

**7. Interest payable**

|                                  | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|----------------------------------|-------------------------------|-------------------------------|
| On loans from group undertakings | <u>392,982</u>                | <u>395,203</u>                |



## Notes to the Financial Statements

For the year ended 31 March 2014

**8. Taxation**

|  | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|--|-------------------------------|-------------------------------|
| UK corporation tax charge on loss for the year | -                             | -                             |

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2013 - the same as) the standard rate of corporation tax in the UK of 23% (2013 - 24%) as set out below:

|  | Year<br>31 March<br>2014<br>£ | Year<br>31 March<br>2013<br>£ |
|--|-------------------------------|-------------------------------|
| Loss on ordinary activities before tax   | (5,868,804)                   | (12,655,061)                  |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%) | (1,349,825)                   | (3,037,215)                   |
| <b>Effects of:</b>   |                               |                               |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                | 29,711                        | 14,221                        |
| Capital allowances for year in excess of depreciation  | -                             | 70,537                        |
| Tax losses arising in year   | 1,229,749                     | 2,816,219                     |
| Interest not yet paid  | 90,365                        | 137,904                       |
| Other differences leading to an increase (decrease) in the tax charge                                    | -                             | (1,666)                       |
| <b>Current tax charge for the year</b> (see note above)  | -                             | -                             |

**Factors that may affect future tax charges**

The Group has losses available to carry forward for offset against future profits of the same trade.

At 31 March 2014, this represents a potential deferred tax asset of £5m (2013: £4m), which represents 100% of tax losses carried forward of £5m. A deferred tax asset has not been recognised in respect of these carried forward losses due to uncertainty as to when the company will make sufficient taxable profits to utilise these losses.

## Notes to the Financial Statements

For the year ended 31 March 2014

**9. Intangible fixed assets**

|                                   | Goodwill<br>£    |
|-----------------------------------|------------------|
| <b>Group Cost</b>                 |                  |
| At 1 April 2013 and 31 March 2014 | <u>5,000,000</u> |
| <b>Amortisation</b>               |                  |
| At 1 April 2013 and 31 March 2014 | <u>5,000,000</u> |
| <b>Net book value</b>             |                  |
| At 31 March 2014                  | <u>-</u>         |
| At 31 March 2013                  | <u>-</u>         |

**10. Tangible fixed assets**

|                       | S/Term<br>Leasehold<br>Property<br>£ | Fixtures &<br>fittings<br>£ | Computer<br>equipment<br>£ | Other fixed<br>assets<br>£ | Total<br>£     |
|-----------------------|--------------------------------------|-----------------------------|----------------------------|----------------------------|----------------|
| <b>Group Cost</b>     |                                      |                             |                            |                            |                |
| At 1 April 2013       | 261,665                              | 62,326                      | 432,908                    | 146,383                    | 903,282        |
| Additions             | -                                    | 6,467                       | 10,859                     | 3,000                      | 20,326         |
| Disposals             | (261,665)                            | (68,793)                    | (443,767)                  | (149,383)                  | (923,608)      |
| At 31 March 2014      | <u>-</u>                             | <u>-</u>                    | <u>-</u>                   | <u>-</u>                   | <u>-</u>       |
| <b>Depreciation</b>   |                                      |                             |                            |                            |                |
| At 1 April 2013       | 137,330                              | 32,586                      | 222,231                    | 45,224                     | 437,371        |
| Charge for the year   | 103,612                              | 22,536                      | 173,310                    | 88,916                     | 388,375        |
| On disposals          | (240,942)                            | (55,122)                    | (395,541)                  | (134,140)                  | (825,746)      |
| At 31 March 2014      | <u>-</u>                             | <u>-</u>                    | <u>-</u>                   | <u>-</u>                   | <u>-</u>       |
| <b>Net book value</b> |                                      |                             |                            |                            |                |
| At 31 March 2014      | <u>-</u>                             | <u>-</u>                    | <u>-</u>                   | <u>-</u>                   | <u>-</u>       |
| At 31 March 2013      | <u>124,335</u>                       | <u>29,740</u>               | <u>210,677</u>             | <u>101,159</u>             | <u>465,911</u> |

**11. Fixed asset investments**

|                           | Investments in<br>subsidiary<br>companies<br>£ |
|---------------------------|--|
| <b>Company</b>            |  |
| <b>Cost or valuation</b>  |  |
| At 31 March 2013 and 2014 | <u>1</u>                                       |
| <b>Net book value</b>     |  |
| At 31 March 2013 and 2014 | <u>1</u>                                       |

Details of the principal subsidiaries can be found under note number 26.

## Notes to the Financial Statements

For the year ended 31 March 2014

**12. Stocks**

|                                     | <u>Group</u> |           | <u>Company</u> |      |
|-------------------------------------|--------------|-----------|----------------|------|
|                                     | 2014         | 2013      | 2014           | 2013 |
|                                     | £            | £         | £              | £    |
| Finished goods and goods for resale | -            | 1,284,473 | -              | -    |

**13. Debtors**

|                                     | <u>Group</u>   |                | <u>Company</u> |          |
|-------------------------------------|----------------|----------------|----------------|----------|
|                                     | 2014           | 2013           | 2014           | 2013     |
|                                     | £              | £              | £              | £        |
| <b>Due after more than one year</b> |                |                |                |          |
| Amounts owed by group undertakings  | -              | -              | 156,411        | -        |
| <b>Due within one year</b>          |                |                |                |          |
| Trade debtors                       | 38,731         | 62,772         | -              | -        |
| Other debtors                       | 300,014        | 69,061         | 300,014        | 1        |
| Prepayments and accrued income      | 156,411        | 434,747        | -              | -        |
|                                     | <b>495,156</b> | <b>566,580</b> | <b>456,425</b> | <b>1</b> |

**14. Creditors:  
Amounts falling due within one year**

|                                    | <u>Group</u>     |                  | <u>Company</u> |                |
|------------------------------------|------------------|------------------|----------------|----------------|
|                                    | 2014             | 2013             | 2014           | 2013           |
|                                    | £                | £                | £              | £              |
| Trade creditors                    | 10,937           | 1,197,343        | -              | 1,587          |
| Other taxation and social security | -                | 191,066          | -              | 167            |
| Other creditors                    | 300,000          | 377,632          | -              | 1              |
| Accruals and deferred income       | 1,386,972        | 694,857          | 974,943        | 581,960        |
|                                    | <b>1,697,909</b> | <b>2,460,898</b> | <b>974,943</b> | <b>583,715</b> |

**15. Provisions**

|                         | <b>Total</b>     |
|-------------------------|------------------|
|                         | £                |
| At 1 April 2013         | -                |
| Additions               | 1,369,007        |
| Utilised                | -                |
| Reversals               | -                |
| <b>At 31 March 2014</b> | <b>1,369,007</b> |

This balance as at 31 March 2014 relates to an onerous lease.

# Notes to the Financial Statements

For the year ended 31 March 2014

## 16. Creditors:

Amounts falling due after more than one year

|                                  | <u>Group</u>      |                   | <u>Company</u>    |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2014              | 2013              | 2014              | 2013              |
|                                  | £                 | £                 | £                 | £                 |
| Loans owed to group undertakings | <u>22,155,988</u> | <u>19,400,000</u> | <u>22,155,988</u> | <u>19,400,000</u> |

## 17. Share capital

|                                    | 2014     | 2013     |
|------------------------------------|----------|----------|
|                                    | £        | £        |
| Allotted, called up and fully paid |          |          |
| Ordinary share of £1               | <u>1</u> | <u>1</u> |

## 18. Reserves

| Group             | Profit and<br>loss<br>account<br>£ |
|-------------------|------------------------------------|
| At 1 April 2013   | (18,556,049)                       |
| Loss for the year | (5,868,804)                        |
|                   | <u>(24,424,853)</u>                |
| At 31 March 2014  |                                    |
|                   | <u>(24,424,853)</u>                |
| Company           | Profit and<br>loss account<br>£    |
| At 1 April 2013   | (19,981,866)                       |
| Loss for the year | (4,061,087)                        |
|                   | <u>(24,042,953)</u>                |
| At 31 March 2014  |                                    |
|                   | <u>(24,042,953)</u>                |

## Notes to the Financial Statements

For the year ended 31 March 2014

**19. Reconciliation of movement in shareholders' deficit**

|                               | 2014                | 2013                |
|-------------------------------|---------------------|---------------------|
| Group                         | £                   | £                   |
| Opening shareholders' deficit | (18,556,048)        | (5,900,988)         |
| Loss for the financial year   | (5,868,804)         | (12,655,061)        |
| Shares issued during the year | -                   | 1                   |
| Closing shareholders' deficit | <u>(24,424,852)</u> | <u>(18,556,048)</u> |

  

|                                      | 2014                | 2013                |
|--------------------------------------|---------------------|---------------------|
| Company                              | £                   | £                   |
| Opening shareholders' funds          | (19,981,865)        | -                   |
| (Loss)/profit for the financial year | (4,061,087)         | (19,981,866)        |
| Shares issued during the year        | -                   | 1                   |
| Closing shareholders' deficit        | <u>(24,042,952)</u> | <u>(19,981,865)</u> |

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year dealt with in the accounts of the company was £4,061,087 (2013 – loss £19,981,866).

**20. Net cash flow from operating activities**

|  | Year               | Period             |
|--|--------------------|--------------------|
|  | 31 March           | 31 March           |
|  | 2014               | 2013               |
|  | £                  | £                  |
| Operating loss                             | (5,476,397)        | (12,260,772)       |
| Amortisation of intangible fixed assets    | -                  | 1,000,000          |
| Impairments of fixed assets                | -                  | 3,333,333          |
| Depreciation of tangible fixed assets      | 388,375            | 392,613            |
| Loss on disposal of tangible fixed assets  | 65,364             | 83,620             |
| Decrease in stocks                         | 1,284,473          | 1,234,654          |
| Decrease/(increase) in debtors             | 371,424            | (94,502)           |
| (Decrease) / Increase in creditors         | (86,964)           | 208,437            |
| Net cash outflow from operating activities | <u>(3,453,725)</u> | <u>(6,102,617)</u> |

## Notes to the Financial Statements

For the year ended 31 March 2014

**21. Analysis of cash flows for headings netted in cash flow statement**

|  | Year<br>31 March<br>2014<br>£    | Period<br>31 March<br>2013<br>£    |
|--|----------------------------------|------------------------------------|
| <b>Returns on investments and servicing of finance</b> |                                  |                                    |
| Interest received                                      | <u>575</u>                       | <u>914</u>                         |
|  | Year<br>31 March<br>2014<br>£    | Period<br>31 March<br>2013<br>£    |
| <b>Capital expenditure and financial investment</b>    |                                  |                                    |
| Purchase of tangible fixed assets                      | (20,326)                         | (320,702)                          |
| Sale of tangible fixed assets                          | 32,498                           | 386                                |
|  | <u>12,172</u>                    | <u>(320,316)</u>                   |
| Net cash inflow/(outflow) from capital expenditure     | <u>12,172</u>                    | <u>(320,316)</u>                   |
|  | Year<br>31<br>March<br>2014<br>£ | Period<br>31<br>March<br>2013<br>£ |
| <b>Financing</b>                                       |                                  |                                    |
| Increase in loans from group companies                 | <u>2,755,988</u>                 | <u>6,665,540</u>                   |

**22. Analysis of changes in net debt**

|                           | 1 April<br>2013<br>£ | Cash flow<br>£     | Other<br>non-cash<br>changes<br>£ | 31 March<br>2014<br>£ |
|---------------------------|----------------------|--------------------|-----------------------------------|-----------------------|
| Cash at bank and in hand  | 987,886              | (684,990)          | -                                 | 302,896               |
| <b>Debt:</b>              |                      |                    |                                   |                       |
| Debts due within one year | (19,400,000)         | (2,755,988)        | -                                 | (22,155,988)          |
| <b>Net debt</b>           | <u>(18,412,114)</u>  | <u>(3,440,978)</u> |                                   | <u>(21,853,092)</u>   |

# Notes to the Financial Statements

For the year ended 31 March 2014

## 23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £28,293 (2013 - £45,309). Contributions totalling £nil (2013 - £2,687) were payable to the fund at the balance sheet date and are included in creditors.

## 24. Operating lease commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

|                       | Land and buildings |                |
|-----------------------|--------------------|----------------|
|                       | 2014               | 2013           |
| Group                 | £                  | £              |
| Expiry date:          |                    |                |
| Within 1 year         | -                  | 152,863        |
| Between 2 and 5 years | 260,685            | -              |
|                       | <u>260,685</u>     | <u>152,863</u> |

## 25. Related party transactions

During the year to 31 March 2014, there were arm's length agreements between Cocosa Lifestyle Limited and the following related parties to provide management services:

Hyde Park Residence Limited - a company with common directors.

Liberty Publishing & Media Limited - a company with common directors.

|   | Year             | Period           |
|---|------------------|------------------|
|   | 31 March<br>2014 | 31 March<br>2013 |
|   | £                | £                |
| Interest paid to Cocosa Holdings Limited          | 392,982          | 395,203          |
| Balance due to Cocosa Holdings Limited            | 22,155,988       | 19,400,000       |
| Purchases from Hyde Park Residence Limited        | 13,643           | 4,403            |
| Balance due to Hyde Park Residence Limited        | -                | -                |
| Purchases from Liberty Publishing & Media Limited | 62,409           | 99,588           |
| Balance due to Liberty Publishing & Media Limited | -                | 4,428            |

## 26. Principal subsidiaries

| Company name             | Country        | Percentage<br>Shareholding |
|--------------------------|----------------|----------------------------|
| Cocosa Lifestyle Limited | United Kingdom | 100%                       |

## Notes to the Financial Statements

For the year ended 31 March 2014

### 27. Post balance sheet events

On 23 May 2014, the Company sold the one issued share in Cocosa Lifestyle Limited ("Cocosa") to an Australian company, OzSale Pty Limited ("OzSale") for its par value of £1 ("the Transaction"). At the same time, OzSale made a non-returnable loan of £300,000 to Cocosa and undertook to repay part of the loans made by Company to Cocosa since formation of Cocosa, which at the time of the Transaction totalled £22,155,987 plus accrued unpaid interest of £967,442. The Company retained all responsibility for negotiating and settling the outstanding liabilities of Cocosa, from cash held within Cocosa, made up of the cash held at the date of the Transaction plus the new cash lent by OzSale. The Transaction agreement stated that once the remaining physical assets of Cocosa (relatively trivial in value) were liquidated and all liabilities settled, Cocosa would pay the balance of cash held at that time to the GOL Investment Limited ("Company") by way of part repayment of loans. It was estimated at the date of the Transaction that on a worst-case basis the return of cash would be £130,000, and so this amount was released to the Company at the date of the Transaction as a payment on account. Allowing for the balance still theoretically returnable, the remaining loans and accrued interest owing by Cocosa to Company totalling £22,667,018 were formally forgiven. Company also retained all responsibility for the remaining liabilities associated with a lease of premises in the City of London which were not required by OzSale. The amount already paid by Cocosa to the landlord as a security deposit in the amount of £156,411 was agreed to be assigned to the benefit of the Company with effect from the future date, at that time uncertain, when the lease itself would be formally assigned by Cocosa to the Company. That event took place on 7 October 2014.

Since the Transaction, the remaining physical assets of Cocosa at the date of the Transaction have been sold for cash, and the bulk of the liabilities for unpaid costs and future contractual commitments have been settled. It is expected that this process will be concluded no later than the first anniversary of the Transaction. Further amounts totalling £50,705 have been returned by Cocosa to the Company as further payments on account of the anticipated surplus cash and it is currently forecast that Company will eventually receive further amounts to produce a final total of £300,000.

### 28. Ultimate parent undertaking and controlling party

The Company and its subsidiary are all ultimately owned by a trust which is managed for the benefit of Mr M. Al Fayed and his immediate family.