

COMPANY REGISTRATION NUMBER 03970757

LILESTONE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3rd JULY 2011 TO
30th JUNE 2012

FRIDAY



LD4 *L1ZU00OP* #16
11/01/2013
COMPANIES HOUSE

BREBNERS
Chartered Accountants & Statutory Auditor
The Quadrangle
180 Wardour Street
London
W1F 8LB

LILESTONE LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

CONTENTS	PAGES
Officers and professional advisers	1
The director's report	2 to 3
Independent auditor's report to the shareholders	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 16
The following pages do not form part of the financial statements	
Detailed profit and loss account	18
Notes to the detailed profit and loss account	19 to 20

LILESTONE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	D T Metcalfe
Registered office	The Quadrangle, 2nd Floor 180 Wardour Street London W1F 8FY
Auditor	Brebners Chartered Accountants & Statutory Auditor The Quadrangle 180 Wardour Street London W1F 8LB

LILESTONE LIMITED
THE DIRECTOR'S REPORT
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

The director presents her report and the financial statements of the company for the period from 3rd July 2011 to 30th June 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was designing, wholesaling and retailing lingere and ladies lifestyle products and accessones

Despite difficult economic and trading conditions, the directors are pleased that the company maintained progress towards the goal of establishing Myla as a leading international luxury lingere and ladies lifestyle brand

The directors continue to refocus their activities to promote the company's profitable outlets, secure international stockists and to improve the company's website. In the current economic climate it is difficult to predict future trading activity although the directors are hopeful of sustaining the current position in the forthcoming period

Financial Key Performance Indicators

	2012	2011
Turnover (£)	5,282,173	3,804,499
Increase / (decrease) in turnover (based upon annualised figures)	4.0%	(7.9%)
Gross profit margin	54%	58%

RESULTS AND DIVIDENDS

The loss for the period amounted to £2,223,536. The director has not recommended a dividend.

DIRECTORS

The directors who served the company during the period were as follows

D T Metcalfe
C Gabay

(Resigned 8th May 2012)

LILESTONE LIMITED

THE DIRECTOR'S REPORT *(continued)*

PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless 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 those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

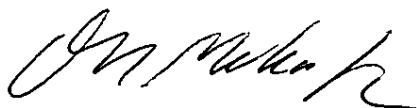
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In 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 steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by

D T Metcalfe
Director



Approved by the director on 14th December 2012

LILESTONE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LILESTONE LIMITED

PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

We have audited the financial statements of Lilestone Limited for the period from 3rd July 2011 to 30th June 2012 on pages 6 to 16. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30th June 2012 and of its loss for the period 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.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. These indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

LILESTONE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LILESTONE LIMITED *(continued)*

PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



MARTIN WIDDOWSON (Senior
Statutory Auditor)
For and on behalf of
BREBNEERS
Chartered Accountants
& Statutory Auditor

The Quadrangle
180 Wardour Street
London
W1F 8LB

14th December 2012

LILESTONE LIMITED
PROFIT AND LOSS ACCOUNT

PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

	Note	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
TURNOVER	2	5,282,173	3,804,499
Cost of sales		2,454,207	1,579,242
GROSS PROFIT		2,827,966	2,225,257
Distribution costs		922,818	619,435
Administrative expenses		4,132,374	3,349,651
Other operating income	3	(2,100)	-
OPERATING LOSS	4	(2,225,126)	(1,743,829)
Interest receivable	7	2,377	-
Interest payable and similar charges	8	(787)	(1,284)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,223,536)	(1,745,113)
Tax on loss on ordinary activities	9	-	-
LOSS FOR THE FINANCIAL PERIOD		(2,223,536)	(1,745,113)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
period as set out above

The notes on pages 8 to 16 form part of these financial statements

LILESTONE LIMITED

BALANCE SHEET

30th JUNE 2012

	Note	30 Jun 12 £	£	2 Jul 11 £
FIXED ASSETS				
Tangible assets	10		272,364	456,258
Investments	11		557	557
			<u>272,921</u>	<u>456,815</u>
CURRENT ASSETS				
Stocks	12	1,136,888		1,180,137
Debtors	13	931,775		931,996
Cash at bank and in hand		26,035		143,844
		<u>2,094,698</u>		<u>2,255,977</u>
CREDITORS Amounts falling due within one year	14	<u>1,538,144</u>		<u>1,820,394</u>
NET CURRENT ASSETS			556,554	435,583
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>829,475</u>	<u>892,398</u>
CREDITORS: Amounts falling due after more than one year	15		16,515,708	14,355,095
			<u>(15,686,233)</u>	<u>(13,462,697)</u>
CAPITAL AND RESERVES				
Called-up equity share capital	19		1,007,505	1,007,505
Share premium account	20		1,594,282	1,594,282
Profit and loss account	21		(18,288,020)	(16,064,484)
DEFICIT	22		<u>(15,686,233)</u>	<u>(13,462,697)</u>

These financial statements were approved and signed by the director and authorised for issue on 14th December 2012

D T Metcalfe
Director



Company Registration Number 03970757

The notes on pages 8 to 16 form part of these financial statements

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Basis of preparation

The profit and loss account for the period ended 30th June 2012 shows a loss of £2,223,536 and the balance sheet at 30th June 2012 shows a deficit of assets of £15,686,233

However, as shown in note 15, an amount of £16,511,240 is due to the parent undertaking, Lilestone Holdings Limited. The directors of this company have confirmed that they will continue to support the subsidiary undertaking and will not call for repayment until such time as the company has sufficient working capital and that it itself has sufficient working capital to enable it to give such support

The company has no bank facilities, and meets its day to day working capital requirements through credit facilities with third party suppliers and statutory taxation payment terms and from loans from the parent company, Lilestone Holdings Limited

It is anticipated that in order for Lilestone Limited to continue to trade, further loans will need to be advanced by Lilestone Holdings Limited

The parent undertaking has taken further steps to secure the future of the group by securing additional investment from existing shareholders and have obtained confirmation of continuing support whilst the brand is being established

The parent company has also provided confirmation to Lilestone Limited that it will continue to support the company with further loans as required

The company's budgets, which are considered reasonable by the directors, indicate that the company should be able to operate within the level of its current working capital for a period of at least 12 months from the approval of these accounts

Although the current economic environment is challenging in terms of sales volume and pricing the directors believe that the company is now well placed to meet these its challenges. The directors conclude that the uncertainties facing the company are as follows

- (a) the level of demand for the company's products,
- (b) the stability of the exchange rate between Sterling and Euros and US Dollars, and
- (c) the continued availability of finance in the foreseeable future

However, after making enquiries, and considering the circumstances described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements

The financial statements do not include any adjustments that may result if the company was unable to continue as a going concern

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

Consolidation

The company was, at the end of the period, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The accounts therefore disclose information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is over 90% owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods sold during the year, exclusive of Value Added Tax. Retail turnover is recognised at the point of the sale. Wholesale turnover is recognised on the date of despatch.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - over five years
Equipment - over five years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. A FIFO basis is used.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

1 ACCOUNTING POLICIES (continued)**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
United Kingdom	4,467,196	2,945,520
Europe	157,650	376,320
Rest of World	657,327	482,659
	<u>5,282,173</u>	<u>3,804,499</u>

3 OTHER OPERATING INCOME

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Other operating income	<u>2,100</u>	<u>—</u>

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

4 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Depreciation of owned fixed assets	201,074	166,294
Depreciation of assets held under hire purchase agreements	2,188	320
Profit on disposal of fixed assets	(1,571)	(247)
Auditor's remuneration		
- as auditor	15,450	15,450
Operating lease costs		
- Other	445,380	328,645
Net loss on foreign currency translation	<u>2,344</u>	<u>16,653</u>

Other operating lease costs relate to land and buildings

5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period from 3 Jul 11 to 30 Jun 12 No	Period from 3 Oct 10 to 2 Jul 11 No
Number of administrative staff	72	77
Number of management staff	<u>2</u>	<u>2</u>
	<u>74</u>	<u>79</u>

The aggregate payroll costs of the above were

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Wages and salaries	1,917,658	1,543,766
Social security costs	<u>183,580</u>	<u>141,255</u>
	<u>2,101,238</u>	<u>1,685,021</u>

6 DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Remuneration receivable	<u>145,000</u>	<u>—</u>

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

7 INTEREST RECEIVABLE

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Bank interest receivable	<u>2,377</u>	<u>–</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Interest payable on bank borrowing	–	1,284
Finance charges	<u>787</u>	<u>–</u>
	<u>787</u>	<u>1,284</u>

9 TAXATION ON ORDINARY ACTIVITIES**Factors affecting current tax charge**

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Loss on ordinary activities before taxation	<u>(2,223,536)</u>	<u>(1,745,113)</u>
Loss on ordinary activities by rate of tax	(444,707)	(476,939)
Expenses not deductible for tax purposes	(4,945)	16,649
Capital allowances for the period in excess of depreciation	(807)	39,354
Tax losses carried forward	<u>450,459</u>	<u>420,936</u>
Total current tax	<u>–</u>	<u>–</u>

Factors that may affect future tax charges

The company has available tax losses of approximately £16.0 million (2011: £13.9 million) to carry forward against future trading profits. No deferred tax asset has been provided due to the uncertainty of the timing of recovery.

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

10 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
COST			
At 3rd July 2011	974,372	342,055	1,316,427
Additions	7,602	14,395	21,997
Disposals	(13,287)	–	(13,287)
At 30th June 2012	<u>968,687</u>	<u>356,450</u>	<u>1,325,137</u>
DEPRECIATION			
At 3rd July 2011	650,507	209,662	860,169
Charge for the period	154,430	48,832	203,262
On disposals	(10,658)	–	(10,658)
At 30th June 2012	<u>794,279</u>	<u>258,494</u>	<u>1,052,773</u>
NET BOOK VALUE			
At 30th June 2012	<u>174,408</u>	<u>97,956</u>	<u>272,364</u>
At 2nd July 2011	<u>323,865</u>	<u>132,393</u>	<u>456,258</u>

Hire purchase agreements

Included within the net book value of £272,364 is £10,303 (2011 - £9,281) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £2,188 (2011 - £320)

11 INVESTMENTS**Shares in subsidiary undertakings**

	£
COST	
At 3rd July 2011 and 30th June 2012	<u>557</u>
NET BOOK VALUE	
At 30th June 2012 and 2nd July 2011	<u>557</u>

Subsidiary undertakings

The investment in subsidiary undertakings represents the cost of 100% of the issued share capital of Myla Investments Limited (a company incorporated in Ireland), and 100% of the issued common stock of Myla Inc (a company incorporated in USA). The principal activity of both of these companies is that of retailer of lingerie and lifestyle products.

12 STOCKS

	30 Jun 12 £	2 Jul 11 £
Stock	<u>1,136,888</u>	<u>1,180,137</u>

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

13 DEBTORS

	30 Jun 12	2 Jul 11
	£	£
Trade debtors	323,996	350,297
Other debtors	189,427	173,896
Prepayments and accrued income	418,352	407,803
	<u>931,775</u>	<u>931,996</u>

Other debtors includes an amount of £75,886 (2011 £144,790) due after more than one year in respect of rent deposits secured to the order of various landlords for future rental obligations

14 CREDITORS Amounts falling due within one year

	30 Jun 12	2 Jul 11
	£	£
Trade creditors	1,066,117	1,357,045
Other taxation and social security	110,438	149,622
Hire purchase agreements	4,123	5,792
Other creditors	144,397	135,967
Accruals and deferred income	213,069	171,968
	<u>1,538,144</u>	<u>1,820,394</u>

15 CREDITORS Amounts falling due after more than one year

	30 Jun 12	2 Jul 11
	£	£
Amounts owed to group undertakings	16,511,240	14,349,280
Hire purchase agreements	4,468	5,815
	<u>16,515,708</u>	<u>14,355,095</u>

16 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	30 Jun 12	2 Jul 11
	£	£
Amounts payable within 1 year	4,123	5,792
Amounts payable between 2 to 5 years	4,468	5,815
	<u>8,591</u>	<u>11,607</u>

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

17 COMMITMENTS UNDER OPERATING LEASES

At 30th June 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	30 Jun 12	2 Jul 11
	£	£
Operating leases which expire		
Within 1 year	91,000	33,250
Within 2 to 5 years	84,000	223,000
After more than 5 years	197,750	197,750
	<u>372,750</u>	<u>454,000</u>

Subsequent to the period end the company entered into a non-cancellable operating lease with an annual commitment of £60,000 over a period of 30 months

18 RELATED PARTY TRANSACTIONS**Control**

Control vests with the parent undertaking as shown in note 23 to the accounts

No entity is in a position of ultimate control

Related Party Transactions

Amounts due to and from subsidiary undertakings are aggregated as permitted by FRS 8 and shown separately in debtors and creditors. In accordance with FRS 8, exemption is taken not to disclose transactions in the period between wholly owned subsidiary undertakings

Lilestone Holdings Limited has advanced a cumulative amount of £16,511,240 (2011 £14,349,280) to the company. The directors of Lilestone Holdings Limited have confirmed they will continue to support Lilestone Limited and will not call for repayment until such time as Lilestone Limited has sufficient working capital

During the period the company was charged warehouse operations and other costs amounting to £24,176 (2011 £Nil) from Courtaulds Limited, a company related by common parent undertaking directors. At 30th June 2012 an amount of £28,828 (2011 £1,162) was due to Courtaulds Limited

At 30th June 2012 an amount of £276,389 (2011 £250,266) was due to PD Garments, a company related by common directors. During the period the company purchased stock amounting to £634,830 (2011 £442,255) from the company

19 SHARE CAPITAL**Allotted, called up and fully paid**

	30 Jun 12		2 Jul 11	
	No	£	No	£
100,750,500 Ordinary shares of £0.01 each	<u>100,750,500</u>	<u>1,007,505</u>	<u>100,750,500</u>	<u>1,007,505</u>

LILESTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3rd JULY 2011 TO 30th JUNE 2012

20 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial period

21 PROFIT AND LOSS ACCOUNT

	Period from 3 Jul 11 to 30 Jun 12 £	Period from 3 Oct 10 to 2 Jul 11 £
Balance brought forward	(16,064,484)	(14,319,371)
Loss for the financial period	(2,223,536)	(1,745,113)
Balance carried forward	<u>(18,288,020)</u>	<u>(16,064,484)</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Jun 12 £	2 Jul 11 £
Loss for the financial period	(2,223,536)	(1,745,113)
Opening shareholders' deficit	<u>(13,462,697)</u>	<u>(11,717,584)</u>
Closing shareholders' deficit	<u>(15,686,233)</u>	<u>(13,462,697)</u>

23. ULTIMATE PARENT COMPANY

Lilestone Limited is a subsidiary of Lilestone Holdings Limited, whom the directors also consider to be the ultimate parent undertaking

Group accounts are prepared by Lilestone Holdings Limited incorporating the results of Lilestone Limited. Lilestone Holdings Limited is both the largest and smallest group preparing group accounts