

Audited Financial Statements for the Year Ended 31 December 2018

for

Myworld Retail Services UK Limited

Contents of the Financial Statements
for the Year Ended 31 December 2018

| | Page |
|-----------------------------------|------|
| Company Information | 1 |
| Balance Sheet | 2 |
| Notes to the Financial Statements | 3 |

| | |
|---------------------------|---|
| DIRECTOR: | C N Thomson |
| REGISTERED OFFICE: | 40 Bank Street 3rd Floor London E14 5NR |
| REGISTERED NUMBER: | 06932198 (England and Wales) |
| AUDITORS: | Just Audit Limited Chartered Accountants & Statutory Auditor Strelley Hall Main Street Strelley Nottinghamshire NG8 6PE |
| BANKERS: | Lloyds TSB Bank PLC 39 Piccadilly London W1V 0AA |
| ACCOUNTANTS: | Price & Accountants Ltd Wework 1 Fore Street Avenue London EC2Y 9DT |

Balance Sheet
31 December 2018

| | | 31.12.18 | | 31.12.17 as restated | |
|--|-------|------------------|------------------|-------------------------|---------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 12,056 | | 27,904 |
| CURRENT ASSETS | | | | | |
| Stocks | | 91,167 | | 302 | |
| Debtors | 5 | 1,070,185 | | 136,529 | |
| Cash at bank and in hand | | <u>83,286</u> | | <u>744,614</u> | |
| | | 1,244,638 | | 881,445 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | <u>1,905,878</u> | | <u>838,971</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(661,240)</u> | | <u>42,474</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | (649,184) | | 70,378 |
| PROVISIONS FOR LIABILITIES | | | <u>28,693</u> | | <u>5,581</u> |
| NET (LIABILITIES)/ASSETS | | | <u>(677,877)</u> | | <u>64,797</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 50,000 | | 50,000 |
| Retained earnings | | | <u>(727,877)</u> | | <u>14,797</u> |
| SHAREHOLDERS' FUNDS | | | <u>(677,877)</u> | | <u>64,797</u> |

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2020 and were signed by:

C N Thomson - Director

Notes to the Financial Statements
for the Year Ended 31 December 2018

1. **STATUTORY INFORMATION**

Myworld Retail Services UK Limited, previously known as Lyonesse UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, irrespective of the fact that the company has made a trading loss in the year under review.

As has been the custom in previous years, the company has relied upon the continued support of its parent company; the directors have every good reason to believe that this will continue in the future, notwithstanding that the parent company has reported uncertainties arising out of the present trading climate and from the impact of the Covid pandemic on its business. The parent company and another related party on which the company depends have provided letters of support. While reliance on the letters alone might indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, the directors have no reason to doubt the efficacy of this continued historical undertaking. The directors, therefore, believe that the company will be able to meet its liabilities as and when they fall due, and that the financial statements may properly be prepared on a going concern basis.

The directors have considered carefully the effects of the Corona virus on the company itself, and remain confident that although it has had an impact on the business, and that uncertainties exist, it has not affected our opinion or reporting of it as a going concern. We have made use of the UK Government's job retention schemes to ensure that we meet our financial obligations in these respects. We remain reliant on the support of our parent company and of the wider group for the foreseeable future, especially for the next twelve months, and have no reason to doubt that this will continue.

Turnover

Turnover, which is net of value added tax, represents the value of monies earned in the year. Turnover is recognised at the point at which it is earned.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold - 20% on cost

Office equipment - 33% on cost and 25% on cost

Fixtures and fittings - 25% on cost

Computer equipment - 33% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, future investments and the physical condition of the assets.

Stocks

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

In respect of trading activities denominated in foreign currencies, transactions are translated into sterling at the rates prevailing at the date of the transaction. Monetary assets and liabilities are expressed in sterling at the exchange rate ruling at the balance sheet date and any exchange gains or losses are taken to the profit and loss account.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Presentation currency

The presentation currency is GBP (£).

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 11 (2017 - 9) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

4. **TANGIBLE FIXED ASSETS**

| | Leasehold improvement £ | Plant and machinery etc £ | Totals £ |
|-----------------------|-------------------------------|------------------------------------|----------------|
| COST | | | |
| At 1 January 2018 | 62,780 | 52,247 | 115,027 |
| Additions | - | 4,736 | 4,736 |
| At 31 December 2018 | <u>62,780</u> | <u>56,983</u> | <u>119,763</u> |
| DEPRECIATION | | | |
| At 1 January 2018 | 42,177 | 44,946 | 87,123 |
| Charge for year | 13,012 | 7,572 | 20,584 |
| At 31 December 2018 | <u>55,189</u> | <u>52,518</u> | <u>107,707</u> |
| NET BOOK VALUE | | | |
| At 31 December 2018 | <u>7,591</u> | <u>4,465</u> | <u>12,056</u> |
| At 31 December 2017 | <u>20,603</u> | <u>7,301</u> | <u>27,904</u> |

5. **DEBTORS**

| | | |
|---|------------------|-------------------------|
| | 31.12.18 | 31.12.17 as restated |
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 39,405 | 4,232 |
| Amounts owed by group undertakings | 769,629 | - |
| Amounts owed by related undertakings | 120,616 | - |
| Other debtors | <u>76,335</u> | <u>68,097</u> |
| | <u>1,005,985</u> | <u>72,329</u> |
| Amounts falling due after more than one year: | | |
| Other debtors | <u>64,200</u> | <u>64,200</u> |
| Aggregate amounts | <u>1,070,185</u> | <u>136,529</u> |

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | | |
|--------------------------------------|------------------|-------------------------|
| | 31.12.18 | 31.12.17 as restated |
| | £ | £ |
| Trade creditors | 98,927 | 6,120 |
| Amounts owed to group undertakings | - | 767,074 |
| Amounts owed to related undertakings | 1,760,760 | - |
| Taxation and social security | 13,800 | 19,481 |
| Other creditors | <u>32,391</u> | <u>46,296</u> |
| | <u>1,905,878</u> | <u>838,971</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 31.12.18 | 31.12.17 as restated |
|----------------------------|---------------|-------------------------|
| | £ | £ |
| Within one year | 66,934 | 113,594 |
| Between one and five years | - | 64,493 |
| | <u>66,934</u> | <u>178,087</u> |

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.12.18 | 31.12.17 as restated |
|---------|----------|-------------------|---------------|-------------------------|
| | | | £ | £ |
| 50,000 | Ordinary | £1 | <u>50,000</u> | <u>50,000</u> |

9. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was qualified on the following basis:

Basis for qualified opinion

The company is reliant upon the continued support of the group and has incurred a net loss during the year ended December 2018 of £724,674 and, as of that date the company's current liabilities exceeded total assets by £649,184. The company is reliant on its parent and the wider group to be able to trade and continue as a going concern. While the directors have letters of support, however, as the company is part of a large international group, the current and forward-looking evidence to confirm the ability to support was not available for our review. In addition, due to the lack of evidence in respect of the group the recoverability of one group balance of £120,000 was not able to be confirmed. We were unable to obtain sufficient supporting audit evidence in respect of the one debtor balance or to verify the assertions in respect of going concern in note 2 and be able to form a conclusion.

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 Auditors' 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 qualified opinion.

Rachel Davis BA FCA (Senior Statutory Auditor)
for and on behalf of Just Audit Limited

Material uncertainty related to going concern

We draw attention to the financial statements which indicate that the company incurred a net loss of £724,674 and, as of that date the company's current liabilities exceeded total assets by £649,184. These events or conditions, along with other matters as set forth in note 2 and the basis for qualified opinion above, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. We refer the reader to the basis for qualified opinion section above where we were unable to form a conclusion in respect of going concern due to the limitation in scope

10. CONTINGENT LIABILITIES

A former contractor of the company, engaged between 2010 and mid-2015, has raised a claim against the company alleging unpaid invoices. This claim is being defended by the company. The Claimant claimed £316,041.26, plus interest and they note on the claim form that they expect to recover more than £100,000. We await directions and case management. The claimant has been instructed by the court to pay MyWorld Retail Services Limited's legal costs amounting to over £40,000, but has been granted a limited right of appeal.

11. PARENT COMPANY

The parent company of the smallest group that draws up consolidated financial statements which include the results for Myworld Retail Services UK Limited is myWorld Holdings Limited; its registered office is 3rd Floor 40 Bank Street, London, England, E14 5NR.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.