

Registered number: 08332008

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Wool And The Gang Ltd

Directors' Report and Financial Statements

For the Year Ended 31 December 2018



Wool And The Gang Ltd

Company Information

Directors	Jean-Luc Theophile Bikard Jade Harwood
Registered number	08332008
Registered office	1 Gower Street London United Kingdom WC1E 6HD
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX

Wool And The Gang Ltd

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditors' report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 17
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	18 - 20

Wool And The Gang Ltd

Directors' Report For the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The directors who served during the year were:

Jean-Luc Theophile Bikard
Marco Capello (resigned 11 February 2019)
Mathieu Louis Jacques Develay (resigned 11 February 2019)
Emilio Di Spiezio Sardo (resigned 11 February 2019)
Jade Harwood
Tiziana Manzetti (resigned 1 March 2019)

Disclosure of information to auditors

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

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

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

11/7/2019

and signed on its behalf.



Jean-Luc Theophile Bikard
Director

Wool And The Gang Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2018

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Wool And The Gang Ltd

Independent Auditors' Report to the Shareholders of Wool And The Gang Ltd

Opinion

We have audited the financial statements of Wool And The Gang Ltd (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' and United Kingdom Generally Accepted Accounting Principles.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

Wool And The Gang Ltd

Independent Auditors' Report to the Shareholders of Wool And The Gang Ltd (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the Shareholders of Wool And The Gang Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 31 July 2019.

Wool And The Gang Ltd

**Statement of Comprehensive Income
For the Year Ended 31 December 2018**

	Note	2018 £	2017 £
Turnover		4,226,369	3,494,009
Cost of sales		(1,645,238)	(1,207,445)
Gross profit		2,581,131	2,286,564
Distribution costs		(1,024,214)	(961,804)
Administrative expenses		(2,200,508)	(1,806,118)
Exceptional administrative expenses		(144,394)	(84,781)
Operating loss		(787,985)	(566,139)
Interest payable and expenses		(9,096)	-
Loss before tax		(797,081)	(566,139)
Tax on loss		233,262	-
Loss for the financial year		(563,819)	(566,139)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 9 to 17 form part of these financial statements.

Wool And The Gang Ltd
Registered number: 08332008

Balance Sheet
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5,6	588,519	-
Tangible assets	7	71,552	116,739
		<u>660,071</u>	<u>116,739</u>
Current assets			
Stocks		890,764	836,412
Debtors: amounts falling due within one year	8	1,014,908	517,275
Cash at bank and in hand		433,922	248,674
		<u>2,339,594</u>	<u>1,602,361</u>
Creditors: amounts falling due within one year	9	(974,939)	(587,891)
Net current assets		<u>1,364,655</u>	<u>1,014,470</u>
Net assets		<u><u>2,024,726</u></u>	<u><u>1,131,209</u></u>
Capital and reserves			
Called up share capital	10	28,540	13,966
Share premium account		6,664,041	5,221,279
Profit and loss account		(4,667,855)	(4,104,036)
		<u>2,024,726</u>	<u>1,131,209</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

11/7/2019


Jean-Luc Theophile Bikard
Director

The notes on pages 9 to 17 form part of these financial statements.

Wool And The Gang Ltd

**Statement of Changes in Equity
For the Year Ended 31 December 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	3,358	4,170,947	(3,537,897)	636,408
Loss for the year	-	-	(566,139)	(566,139)
Shares issued during the year	10,608	1,050,332	-	1,060,940
At 1 January 2018	13,966	5,221,279	(4,104,036)	1,131,209
Loss for the year	-	-	(563,819)	(563,819)
Shares issued during the year	14,574	1,442,762	-	1,457,336
At 31 December 2018	28,540	6,664,041	(4,667,855)	2,024,726

The notes on pages 9 to 17 form part of these financial statements.

Wool And The Gang Ltd

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

1. Authorisation of financial statements

The financial statements of Wool And The Gang Limited (the "Company") for the year ended 31 December 2018 were authorised for issue by the board of directors and the balance sheet was signed on the board's behalf by Jean-Luc Theophile Bikard. Wool And The Gang Limited is incorporated and domiciled in England and Wales. The address of its registered office is 1 Gower Street, London, WC1E 6HD.

The Company's principal activity is the business of selling wool and knitting patterns to the public.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006 as applicable to small companies.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company will also continue to be supported by the group. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Wool And The Gang Ltd

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

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 9

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 01 January 2018.

IFRS 15

From 01 January 2018, the Company has applied IFRS 15 using the cumulative effect method.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 01 January 2018.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

2.6 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Wool And The Gang Ltd

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% on cost
Computer equipment	-	33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the Balance sheet at fair value with changes in fair value recognised in the Statement of comprehensive income.

Wool And The Gang Ltd

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

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

The Company comprises only out-of-the-money derivatives. They are carried in the Balance sheet at fair value with changes in fair value recognised in the Statement of comprehensive income.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

Wool And The Gang Ltd

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

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Wool And The Gang Ltd

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

2. Accounting policies (continued)

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.16 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Computer software	-	33 % on cost
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3. Employees

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

	2018 No.	2017 No.
Employees	21	23

4. Exceptional items

	2018 £	2017 £
Extraordinary stock write-off	24,576	-
Exceptional costs	57,075	22,875
Restructuring costs	62,743	36,454
Change in strategy	-	25,452
	144,394	84,781

Wool And The Gang Ltd

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

5. Intangible assets

	Computer software £
Cost	
Additions - external	579,156
Transfers between classes	86,063
At 31 December 2018	<u>665,219</u>
Amortisation	
Charge for the year	60,863
Transfers between classes	15,837
At 31 December 2018	<u>76,700</u>
Net book value	
At 31 December 2018	<u>588,519</u>
At 31 December 2017	<u>-</u>

6. Goodwill

	2018 £
Cost	
At 1 January 2018	624,070
At 31 December 2018	<u>624,070</u>
Amortisation	
At 1 January 2018	624,070
At 31 December 2018	<u>624,070</u>
Net book value	
At 31 December 2018 and 31 December 2017	<u>-</u>

Wool And The Gang Ltd

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

7. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 January 2018	40,507	101,708	142,215
Additions	3,054	47,754	50,808
Transfers between classes	-	(86,063)	(86,063)
At 31 December 2018	<u>43,561</u>	<u>63,399</u>	<u>106,960</u>
Depreciation			
At 1 January 2018	7,541	17,935	25,476
Charge for the year on owned assets	9,023	16,746	25,769
Transfers between classes	-	(15,837)	(15,837)
At 31 December 2018	<u>16,564</u>	<u>18,844</u>	<u>35,408</u>
Net book value			
At 31 December 2018	<u>26,997</u>	<u>44,555</u>	<u>71,552</u>
At 31 December 2017	<u>32,966</u>	<u>83,773</u>	<u>116,739</u>

Wool And The Gang Ltd

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

8. Debtors

	2018 £	2017 £
Trade debtors	109,694	145,701
Amounts owed by group undertakings	440,827	108,909
Other debtors	388,581	98,544
Prepayments and accrued income	75,806	164,121
	<u>1,014,908</u>	<u>517,275</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	24,993	426,885
Amounts owed to group undertakings	731,470	-
Other taxation and social security	27,715	24,720
Other creditors	33,499	842
Accruals and deferred income	157,262	135,444
	<u>974,939</u>	<u>587,891</u>

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,853,957 (2017 - 1,396,622) Ordinary shares shares of £0.01 each	<u>28,540</u>	<u>13,966</u>

During the year the Company issued 1,457,335 ordinary shares of £0.01 each for total consideration received of £1,457,335. Share premium of £1,442,762 was recognised in respect of this share issue.

11. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

12. Controlling party

The immediate parent company of Wool And The Gang Ltd is The DMC Group Holding Limited.

The ultimate parent undertaking of Wool And The Gang Ltd is, from 11 February 2019, Lion Capital LLP. Previously it was BlueGem II LP.

Wool And The Gang Ltd

**Detailed profit and loss account
For the Year Ended 31 December 2018**

	Note	2018 £	2017 £
Turnover		4,226,369	3,494,009
Cost of sales		(1,645,238)	(1,207,445)
Gross profit		2,581,131	2,286,564
Gross profit %		61.1 %	65.4 %
Less: overheads			
Selling and distribution expenses		(1,024,214)	(961,804)
Administration expenses		(2,344,902)	(1,890,899)
Operating loss		(787,985)	(566,139)
Interest payable		(9,096)	-
Tax on profit on ordinary activities		233,262	-
Loss for the year		(563,819)	(566,139)

Wool And The Gang Ltd

**Schedule to the Detailed Accounts
For the Year Ended 31 December 2018**

	2018 £	2017 £
Turnover		
Sales	4,226,369	3,494,009
	<u>4,226,369</u>	<u>3,494,009</u>
	2018 £	2017 £
Cost of sales		
Opening stocks	836,412	467,933
Closing stocks	(890,764)	(836,412)
Purchases	1,699,590	1,575,924
	<u>1,645,238</u>	<u>1,207,445</u>
	2018 £	2017 £
Selling and distribution expenses		
Carriage	776,034	702,538
Salaries and wages	204,519	183,106
Occupancy costs	43,661	76,160
	<u>1,024,214</u>	<u>961,804</u>

Wool And The Gang Ltd

**Schedule to the Detailed Accounts
For the Year Ended 31 December 2018**

	2018 £	2017 £
Administration expenses		
Directors costs	121,134	151,110
Staff costs	645,780	713,391
Entertainment	27,023	4,504
Hotels, travel and subsistence	22,660	35,204
Product development	104,977	54,611
Consultancy	15,052	71,789
Printing, postage and stationery	2,125	1,510
Telephone and computer costs	84,833	58,924
General office expenses	13,101	5,491
Advertising and promotion	615,314	359,654
Legal and professional	19,572	10,597
Auditors' remuneration	9,725	17,933
Accountancy fees	3,100	3,280
Bank charges	102,612	93,008
Difference on foreign exchange	35,520	(2,794)
Rent and rates	100,457	39,281
Light and heat	10,678	2,930
Cleaning	14,026	8,564
Insurances	5,063	5,974
Depreciation	86,632	20,414
Operations team	73,859	33,018
Customer service costs	5,156	48,396
Recruitment	30,193	42,965
Photography	51,916	26,364
Exceptional item	144,394	84,781
	<u>2,344,902</u>	<u>1,890,899</u>
	2018 £	2017 £
Interest payable		
Other loan interest payable	9,096	-
	<u>9,096</u>	<u>-</u>