

Registered number: 08332008

## Wool And The Gang Ltd

Directors' Report and Financial Statements

For the Year Ended 31 December 2019



## **Wool And The Gang Ltd**

### **Company Information**

**Directors**

Jean-Luc Theophile Bikard  
Jade Harwood  
Noel Eves (appointed 17 December 2019)

**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**

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## **Wool And The Gang Ltd**

### **Directors' Report For the Year Ended 31 December 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

#### **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)  
Noel Eves (appointed 17 December 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.

#### **Post balance sheet events**

As at 31 December 2019 China had alerted the World Health Organisation (WHO) of several cases of an unusual form of pneumonia in Wuhan. However, substantive information about what has now been identified as coronavirus (or COVID-19) only came to light in early 2020. Given the declaration of a pandemic, there are likely to be detrimental effects on business as a whole. A monetary estimates of these effects is unknown and unquantifiable given the uncertainty of subsequent regulations by worldwide governments.

#### **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 29 May 2020 and signed on its behalf.



**Jean-Luc Theophile Bikard**  
Director

**Directors' Responsibilities Statement  
For the Year Ended 31 December 2019**

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.

**Independent Auditors' Report to the Members 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 2019, 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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**Independent Auditors' Report to the Members 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 Members 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:

- 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 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 for our audit work, for this report, or for the opinions we have formed.



**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
London

29 May 2020



## Wool And The Gang Ltd

### Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		4,539,767	4,226,369
Cost of sales		(2,590,362)	(1,645,238)
<b>Gross profit</b>		<b>1,949,405</b>	<b>2,581,131</b>
Distribution costs		-	(1,024,214)
Administrative expenses		(2,599,303)	(2,200,508)
Exceptional administrative expenses		(283,275)	(144,394)
<b>Operating loss</b>		<b>(933,173)</b>	<b>(787,985)</b>
Interest payable and expenses		-	(9,096)
<b>Loss before tax</b>		<b>(933,173)</b>	<b>(797,081)</b>
Tax on loss	5	154,805	233,262
<b>Loss for the financial year</b>		<b>(778,368)</b>	<b>(563,819)</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 9 to 19 form part of these financial statements.

**Balance Sheet**  
**As at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	7	423,996	588,519
Tangible assets	9	53,170	71,552
Investments	10	1	-
		<u>477,167</u>	<u>660,071</u>
<b>Current assets</b>			
Stocks		1,343,243	890,764
Debtors: amounts falling due within one year	11	1,007,272	1,014,908
Cash at bank and in hand		697,240	433,922
		<u>3,047,755</u>	<u>2,339,594</u>
Creditors: amounts falling due within one year	12	(2,278,564)	(974,939)
<b>Net current assets</b>		<u>769,191</u>	<u>1,364,655</u>
<b>Net assets</b>		<u><u>1,246,358</u></u>	<u><u>2,024,726</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	28,540	28,540
Share premium account		6,664,041	6,664,041
Profit and loss account		(5,446,223)	(4,667,855)
		<u>1,246,358</u>	<u>2,024,726</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 29 May 2020.

  
**Jean-Luc Theophile Bikard**  
 Director

The notes on pages 9 to 19 form part of these financial statements.

# Wool And The Gang Ltd

## Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	<b>13,966</b>	<b>5,221,279</b>	<b>(4,104,036)</b>	<b>1,131,209</b>
Loss for the year	-	-	(563,819)	(563,819)
Shares issued during the year	14,574	1,442,762	-	1,457,336
<b>At 1 January 2019</b>	<b>28,540</b>	<b>6,664,041</b>	<b>(4,667,855)</b>	<b>2,024,726</b>
Loss for the year	-	-	(778,368)	(778,368)
<b>At 31 December 2019</b>	<b>28,540</b>	<b>6,664,041</b>	<b>(5,446,223)</b>	<b>1,246,358</b>

The notes on pages 9 to 19 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Authorisation of financial statements**

The financial statements of Wool And The Gang Limited (the "Company") for the year ended 31 December 2019 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 has recently seen a change in ownership which has seen the implementation of new business strategies to drive profitability. 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.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**2. Accounting policies (continued)**

**2.4 Impact of new international reporting standards, amendments and interpretations**

**IFRS 16**

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

**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.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**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	- 20% - 33% on cost
Computer equipment	- 20% - 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 profit or loss.

**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**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**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 profit or loss 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 profit or loss within 'other operating income'.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**2. Accounting policies (continued)**

**2.12 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 profit or loss 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.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

**2.14 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.

**2.15 Finance costs**

Finance costs are charged to profit or loss 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.



**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**2. Accounting policies (continued)**

**2.16 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	-	20% - 33% on cost
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**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**3. Employees**

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

	<b>2019 No.</b>	<b>2018 No.</b>
Employees	<b>22</b>	<b>21</b>

Key management personnel received an aggregate remuneration of £580,589 during the year for their services provided to the group (2018: £275,852).

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**4. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	102,267	16,500
Company contributions to defined contribution pension schemes	1,252	-
	<u>103,519</u>	<u>16,500</u>

**5. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(149,000)
Adjustments in respect of previous periods	4,236	(84,262)
	<u>4,236</u>	<u>(233,262)</u>
<b>Total current tax</b>	<u>4,236</u>	<u>(233,262)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(177,751)	-
Changes to tax rates	18,710	-
<b>Total deferred tax</b>	<u>(159,041)</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(154,805)</u>	<u>(233,262)</u>

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2018 - 19%).

**6. Exceptional items**

	2019 £	2018 £
Extraordinary stock write-off	-	24,576
Exceptional costs	220,941	57,075
Restructuring costs	62,334	62,743
	<u>283,275</u>	<u>144,394</u>

# Wool And The Gang Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 7. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 January 2019	665,219
Disposals	(24,333)
At 31 December 2019	<u>640,886</u>
<b>Amortisation</b>	
At 1 January 2019	76,700
Charge for the year on owned assets	140,190
At 31 December 2019	<u>216,890</u>
<b>Net book value</b>	
At 31 December 2019	<u><u>423,996</u></u>
At 31 December 2018	<u><u>588,519</u></u>

### 8. Goodwill

	2019 £
<b>Cost</b>	
At 1 January 2019	624,070
<b>Amortisation</b>	
At 1 January 2019	624,070
<b>Net book value</b>	
At 31 December 2019	<u><u>-</u></u>
At 31 December 2018	

Notes to the Financial Statements  
For the Year Ended 31 December 2019

9. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2019	43,561	63,399	106,960
Additions	2,019	9,386	11,405
At 31 December 2019	<u>45,580</u>	<u>72,785</u>	<u>118,365</u>
<b>Depreciation</b>			
At 1 January 2019	16,564	18,844	35,408
Charge for the year on owned assets	8,633	21,154	29,787
At 31 December 2019	<u>25,197</u>	<u>39,998</u>	<u>65,195</u>
<b>Net book value</b>			
At 31 December 2019	<u>20,383</u>	<u>32,787</u>	<u>53,170</u>
At 31 December 2018	<u>26,997</u>	<u>44,555</u>	<u>71,552</u>

Notes to the Financial Statements  
For the Year Ended 31 December 2019

10. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
Additions	1
At 31 December 2019	1

11. Debtors

	2019 £	2018 £
Trade debtors	100,174	109,694
Amounts owed by group undertakings	509,777	440,827
Other debtors	156,784	388,581
Prepayments and accrued income	81,496	75,806
Deferred taxation	159,041	-
	<u>1,007,272</u>	<u>1,014,908</u>

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	167,912	24,993
Amounts owed to group undertakings	1,670,770	731,470
Corporation tax	144,764	-
Other taxation and social security	80,064	27,715
Other creditors	7,432	33,499
Accruals and deferred income	207,622	157,262
	<u>2,278,564</u>	<u>974,939</u>

13. Deferred taxation

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**13. Deferred taxation (continued)**

	2019 £
Charged to profit or loss	159,041
<b>At end of year</b>	<b>159,041</b>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Tax losses carried forward	159,041	-
	<b>159,041</b>	<b>-</b>

**14. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
2,853,957 (2018 - 2,853,957) Ordinary shares shares of £0.01 each	28,540	28,540

**15. 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 2019

	Note	2019 £	2018 £
Turnover		4,539,767	4,226,369
Cost of sales		(2,590,362)	(1,645,238)
<b>Gross profit</b>		<b>1,949,405</b>	<b>2,581,131</b>
<b>Gross profit %</b>		<b>42.9 %</b>	<b>61.1 %</b>
<b>Less: overheads</b>			
Selling and distribution expenses		-	(1,024,214)
Administration expenses		(2,882,578)	(2,344,902)
<b>Operating loss</b>		<b>(933,173)</b>	<b>(787,985)</b>
Interest payable		-	(9,096)
Tax on loss on ordinary activities		154,805	233,262
<b>Loss for the year</b>		<b>(778,368)</b>	<b>(563,819)</b>

# Wool And The Gang Ltd

## Schedule to the Detailed Accounts For the Year Ended 31 December 2019

	2019 £	2018 £
<b>Turnover</b>		
Sales	4,539,767	4,226,369
	<u>4,539,767</u>	<u>4,226,369</u>
	2019 £	2018 £
<b>Cost of sales</b>		
Opening stocks	890,764	836,412
Closing stocks	(1,343,243)	(890,764)
Purchases	1,843,259	1,699,590
Commissions payable	135,314	-
Carriage	813,423	-
Packing materials	38,104	-
Picking costs	212,741	-
	<u>2,590,362</u>	<u>1,645,238</u>
	2019 £	2018 £
<b>Selling and distribution expenses</b>		
Carriage	-	776,034
Salaries and wages	-	204,519
Occupancy costs	-	43,661
	<u>-</u>	<u>1,024,214</u>



# Wool And The Gang Ltd

## Schedule to the Detailed Accounts For the Year Ended 31 December 2019

	2019 £	2018 £
<b>Administration expenses</b>		
Directors costs	102,267	16,500
Directors pension costs	1,252	-
Staff costs	694,961	750,414
Warehouse fixed costs	42,399	-
Entertainment	9,280	27,023
Hotels, travel and subsistence	22,159	22,660
Product development	21,814	104,977
Consultancy	136,225	15,052
Printing, postage and stationery	3,150	2,125
Telephone and computer costs	260,453	84,833
General office expenses	12,822	13,101
Advertising and promotion	798,175	615,314
Legal and professional	8,834	19,572
Auditors' remuneration	9,400	9,725
Accountancy fees	3,190	3,100
Bank charges	13,827	102,612
Difference on foreign exchange	25,018	35,520
Occupancy and insurance	122,383	100,457
Utilities	14,410	10,678
Cleaning	15,130	14,026
Insurances	-	5,063
Depreciation	169,977	86,632
Operations team	55,620	73,859
Customer service costs	-	5,156
Recruitment	21,092	30,193
Photography	35,465	51,916
Exceptional item	283,275	144,394
	<b>2,882,578</b>	<b>2,344,902</b>
	2019 £	2018 £
<b>Interest payable</b>		
Other loan interest payable	-	9,096
	<b>-</b>	<b>9,096</b>