

CORE COMMUNICATION RETAIL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016



CORE COMMUNICATION RETAIL LIMITED

COMPANY INFORMATION

DIRECTORS

J Lovell
A Greaves
K Joseph

REGISTERED NUMBER

08301089

REGISTERED OFFICE

Elizabeth House
11 York Road
London
SE1 7NX

INDEPENDENT AUDITORS

Bishop Fleming Bath Limited
Chartered Accountants & Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

BANKERS

Royal Bank of Scotland
62-63 Threadneedle Street
London
EC2R 8LA

CORE COMMUNICATION RETAIL LIMITED

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CORE COMMUNICATION RETAIL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

BUSINESS REVIEW

The principal activity of the company during the year was that of retail telecommunication products and services.

The Company continues to enjoy strong growth with improvements in revenue underpinned by developments in Company infrastructure and processes: including the expansion of the Core accessories range. The Board are planning for further growth in the forthcoming year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operated within a competitive sector and must remain vigilant to ensure it continues to offer market-leading commission and levels of service to its distribution channel.

FINANCIAL KEY PERFORMANCE INDICATORS

The company focuses on the "quality" of its connections to its partners (number of subsequent top-ups or customer revenue) rather than the quantity of first connections. Management therefore drive the business by reference to the key metrics of revenue and margin by network together with incremental revenue and margin from new initiatives such as accessory sales.

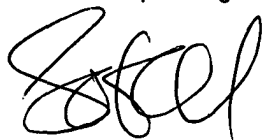
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

All customers who wish to trade on credit term are subject to credit verification procedures. Trade debtors are reviewed by the director on a regular basis and provision made from doubtful debts when necessary.

Liquidity risk

The company manages its cash borrowing requirements to ensure that sufficient liquid resources are available to meet the operating needs of the business.



and signed on its behalf.

J Lovell
Director



CORE COMMUNICATION RETAIL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,471,436 (2015: £2,181,262).

An interim dividend of £7m relating to post year end activities was declared.

DIRECTORS

The directors who served during the year were:

J Lovell
A Greaves
K Joseph

FUTURE DEVELOPMENTS

The Directors continue to look for opportunities to increase revenues and margin earned from the sim distribution business as well as planning to increase the range of products offered within the other distribution business activity.

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.

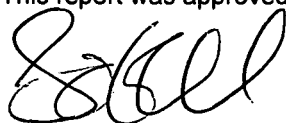
POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J Lovell
Director

Date:

30 March 2017

Elizabeth House
11 York Road
London
SE1 7NX

CORE COMMUNICATION RETAIL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

The directors are responsible for preparing the Strategic report, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 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.

CORE COMMUNICATION RETAIL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CORE COMMUNICATION RETAIL LIMITED

We have audited the financial statements of Core Communication Retail Limited for the year ended 30 June 2016, set out on pages 6 to 21. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 June 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

CORE COMMUNICATION RETAIL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CORE COMMUNICATION RETAIL LIMITED (CONTINUED)

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Sandiford BCom FCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

31/3/17

CORE COMMUNICATION RETAIL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 £	2015 £
Turnover	4	17,213,171	11,070,750
Cost of sales		(12,416,762)	(6,639,238)
GROSS PROFIT		4,796,409	4,431,512
Administrative expenses		(1,736,991)	(1,693,714)
OPERATING PROFIT	5	3,059,418	2,737,798
Interest receivable and similar income	9	29,234	13,874
Interest payable and expenses	10	(10)	-
PROFIT BEFORE TAX		3,088,642	2,751,672
Tax on profit	11	(617,206)	(570,410)
PROFIT FOR THE YEAR		2,471,436	2,181,262

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).


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

CORE COMMUNICATION RETAIL LIMITED
REGISTERED NUMBER:08301089

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	12	41,279	35,252
		<u>41,279</u>	<u>35,252</u>
CURRENT ASSETS			
Stocks	13	568,837	329,884
Debtors: amounts falling due within one year	14	3,814,335	2,116,613
Cash at bank and in hand	15	8,456,529	4,998,669
		<u>12,839,701</u>	<u>7,445,166</u>
Creditors: amounts falling due within one year	16	(5,888,544)	(2,959,864)
NET CURRENT ASSETS		<u>6,951,157</u>	<u>4,485,302</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,992,436</u>	<u>4,520,554</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	18	(6,296)	(5,850)
		<u>(6,296)</u>	<u>(5,850)</u>
NET ASSETS		<u><u>6,986,140</u></u>	<u><u>4,514,704</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Profit and loss account	20	6,986,040	4,514,604
		<u>6,986,140</u>	<u>4,514,704</u>

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



J Lovell
Director

Date:

30 March 2017

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

CORE COMMUNICATION RETAIL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	100	4,514,604	4,514,704
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	2,471,436	2,471,436
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	2,471,436	2,471,436
AT 30 JUNE 2016	100	6,986,040	6,986,140

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	100	2,333,342	2,333,442
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	2,181,262	2,181,262
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	2,181,262	2,181,262
AT 30 JUNE 2015	100	4,514,604	4,514,704

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

CORE COMMUNICATION RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. GENERAL INFORMATION

Core Communication Retail Limited is a limited liability company incorporated in the United Kingdom. The registered office is Elizabeth House, 11 York Road, London, SE1 7NX.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Core Communication Investments Limited as at 30 June 2016 and these financial statements may be obtained from Elizabeth House, 11 York Road, London, SE1 7NX.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. ACCOUNTING POLICIES (continued)

2.3 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 when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

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:

Plant and machinery	- 25% straight line
Office equipment	- 25% straight line

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. ACCOUNTING POLICIES (continued)

2.5 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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.

2.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.9 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (continued)

2.10 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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'.

2.11 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.

2.12 OPERATING LEASES

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

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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 INTEREST INCOME

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2. ACCOUNTING POLICIES (continued)

2.15 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 the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.16 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. 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 reporting 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 Statement of financial position 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 reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The areas in the financial statements where these judgements and estimates have been made include:

- Determining whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of that unit.
- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	15,924	10,518
Exchange differences	(8,318)	-
Defined contribution pension cost	26,477	9,375
	<u>26,477</u>	<u>9,375</u>

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,350	3,250
	<u>3,350</u>	<u>3,250</u>

CORE COMMUNICATION RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016****7. EMPLOYEES**

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

	2016 £	2015 £
Wages and salaries	2,539,594	1,675,045
Social security costs	267,119	148,413
Cost of defined contribution scheme	26,477	9,375
	<u>2,833,190</u>	<u>1,832,833</u>

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

	2016 No.	2015 No.
Retail staff	<u>101</u>	<u>60</u>

8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	146,500	118,250
Company contributions to defined contribution pension schemes	9,000	7,500
	<u>155,500</u>	<u>125,750</u>

During the year retirement benefits were accruing to 1 director (2015: 1) in respect of defined contribution pension schemes.

9. INTEREST RECEIVABLE

	2016 £	2015 £
Other interest receivable	29,234	13,874
	<u>29,234</u>	<u>13,874</u>

CORE COMMUNICATION RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest payable	10	-
	<u>10</u>	<u>-</u>

11. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	616,760	570,369
TOTAL CURRENT TAX	<u>616,760</u>	<u>570,369</u>
DEFERRED TAX		
Origination and reversal of timing differences	1,031	41
Changes to tax rates	(585)	-
TOTAL DEFERRED TAX	<u>446</u>	<u>41</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>617,206</u>	<u>570,410</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.75%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	3,088,642	2,751,672
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.75%)	617,728	570,972
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	176	85
Capital allowances for year in excess of depreciation	-	(1,957)
Other timing differences leading to an increase (decrease) in taxation	(698)	1,310
TOTAL TAX CHARGE FOR THE YEAR	<u>617,206</u>	<u>570,410</u>

CORE COMMUNICATION RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The 2016 budget on 16 March 2016 announced that the UK corporation tax rate will reduce to 19% by 2017 and then to 17% by 2020.

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment £	Total £
COST OR VALUATION			
At 1 July 2015	45,862	6,339	52,201
Additions	16,830	5,121	21,951
At 30 June 2016	62,692	11,460	74,152
DEPRECIATION			
At 1 July 2015	15,878	1,071	16,949
Charge for the period on owned assets	13,775	2,149	15,924
At 30 June 2016	29,653	3,220	32,873
NET BOOK VALUE			
At 30 June 2016	33,039	8,240	41,279
At 30 June 2015	29,984	5,268	35,252

13. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	568,837	329,884
	568,837	329,884

Stock recognised in cost of sales during the year as an expense was £2,965,718 (2015: £1,203,290).

14. DEBTORS

2016 £	2015 £
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CORE COMMUNICATION RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

14. DEBTORS (CONTINUED)

Trade debtors	1,442,608	673,039
Other debtors	7,741	16,697
Prepayments and accrued income	2,363,986	1,426,877
	3,814,335	2,116,613

Included within trade debtors of the company are trade balances totalling £857,760 (2015: £340,352) due from group companies. These amounts are unsecured, repayable on demand and bear no interest.

15. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	8,456,529	4,998,669
	8,456,529	4,998,669

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	1,189,873	217,754
Amounts owed to group undertakings	435,027	634,816
Corporation tax	218,967	244,560
Taxation and social security	548,143	543,108
Other creditors	425,373	236,729
Accruals and deferred income	3,071,161	1,082,897
	5,888,544	2,959,864

Included within trade creditors of the company are trade balances totalling £605,983 (2015: £19,682) due to group companies. In addition accruals and deferred income includes £1,683,052 (2015: £54,697) due to group companies.

These amounts are unsecured, repayable on demand and bear no interest.

CORE COMMUNICATION RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	8,456,529	4,998,669
Financial assets that are debt instruments measured at amortised cost	5,311,305	2,092,011
	<u>13,767,834</u>	<u>7,090,680</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(5,121,434)	(2,172,196)
	<u>(5,121,434)</u>	<u>(2,172,196)</u>

Financial assets measured at fair value through profit or loss comprise Cash at bank and in hand.

Financial assets measured at amortised cost comprise Trade debtors, Other debtors and Accrued income.

Financial liabilities measured at amortised cost comprise Trade creditors, Amounts owed by group undertakings, Corporation tax, Taxation and Social security, Other creditors and Accruals.

18. DEFERRED TAXATION

	2016 £	2015 £
At beginning of year	(5,850)	(5,809)
Charged to profit or loss	(446)	(41)
AT END OF YEAR	<u>(6,296)</u>	<u>(5,850)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(6,296)	(5,850)
	<u>(6,296)</u>	<u>(5,850)</u>

CORE COMMUNICATION RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

19. SHARE CAPITAL

	2016 £	2015 £
ALLOTTED, CALLED UP AND PARTLY PAID		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

20. RESERVES

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

21. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £26,477 (2015: £9,375). Contributions totalling £Nil (2015: £6,000) were payable to the fund at the reporting date.

22. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	57,302	23,100
Later than 1 year and not later than 5 years	56,179	-
	<u>113,481</u>	<u>23,100</u>

23. RELATED PARTY TRANSACTIONS

The company has taken the exemption available under FRS102 from disclosing the details of transactions between wholly owned members of the same group.

Key Management Personnel

Key management personnel consists of the directors of the company. The directors receive remuneration as shown in note 8.

24. POST BALANCE SHEET EVENTS

On 20 January 2017 the company was transferred from Core Communication Investments Limited to IC Ludgate Limited, there was no change in controlling party.

CORE COMMUNICATION RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

25. CONTROLLING PARTY

The immediate and ultimate parent undertaking is Core Communication Investments Limited, a company incorporated within the UK. The ultimate controlling party is A Greaves by virtue of his majority shareholding.

On 20 January 2017 the immediate and ultimate parent company became IC Ludgate Limited, a company incorporated in the UK.

26. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.