

Registration number: 05551556

LILESTONE HOLDINGS LIMITED
Unaudited Consolidated Financial Statements
for the Year Ended 31 December 2017



BREBNERS
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

LILESTONE HOLDINGS LIMITED

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LILESTONE HOLDINGS LIMITED

Company Information

Director ²⁰⁰⁷ G T Hogarth

Registered office 100 New Bridge Street
London
EC4V 6JA

Auditors Brebners
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

LILESTONE HOLDINGS LIMITED

Director's Report for the Year Ended 31 December 2017

The director presents his report and the for the year ended 31 December 2017.

Directors of the group

The directors who held office during the year were as follows:

T S Low (resigned 4 June 2018)

N Bartlett (resigned 13 March 2018)

The following director was appointed after the year end:

G T Hogarth (appointed 13 March 2018)

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the director on

22/8/18


G T Hogarth
Director

LILESTONE HOLDINGS LIMITED

Consolidated Income Statement for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover		432,147	1,149,559
Cost of sales		<u>(197,234)</u>	<u>(329,948)</u>
Gross profit		234,913	819,611
Distribution costs		761	(178,402)
Administrative expenses		<u>(548,511)</u>	<u>(4,992,507)</u>
Operating loss	4	<u>(312,837)</u>	<u>(4,349,298)</u>
Other interest receivable and similar income		<u>45</u>	<u>417</u>
		<u>45</u>	<u>417</u>
Loss before tax		<u>(312,792)</u>	<u>(4,348,881)</u>
Loss for the financial year		<u>(312,792)</u>	<u>(4,348,881)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(312,792)</u>	<u>(4,348,881)</u>

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

LILESTONE HOLDINGS LIMITED

Consolidated Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	29,638	39,799
Tangible assets	6	<u>32,988</u>	<u>27,674</u>
		<u>62,626</u>	<u>67,473</u>
Current assets			
Stocks		53,475	237,339
Debtors	8	2,263,360	2,420,526
Cash at bank and in hand		<u>898,908</u>	<u>38,242</u>
		3,215,744	2,696,107
Creditors: Amounts falling due within one year	9	<u>(320,441)</u>	<u>(4,267,944)</u>
Net current assets/(liabilities)		<u>2,895,303</u>	<u>(1,571,837)</u>
Net assets/(liabilities)		<u>2,957,929</u>	<u>(1,504,364)</u>
Capital and reserves			
Called up share capital		3,393,641	28,145,777
Share premium reserve		20,800,801	19,435,174
Capital redemption reserve		26,145,777	-
Profit and loss account		<u>(47,382,280)</u>	<u>(47,085,315)</u>
Equity attributable to owners of the company		<u>2,957,929</u>	<u>(1,504,364)</u>
Total equity		<u>2,957,929</u>	<u>(1,504,364)</u>

Approved and authorised by the director on *22/8/18*



 Geetha
 Director

Company registration number: 05551556

LILESTONE HOLDINGS LIMITED

Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Cash at bank and in hand		-	102
Creditors: Amounts falling due within one year	9	<u>(1)</u>	<u>(198,787)</u>
Net liabilities		<u>(1)</u>	<u>(198,685)</u>
Capital and reserves			
Called up share capital		3,393,641	26,145,777
Share premium reserve		20,800,801	19,435,174
Capital redemption reserve		26,145,777	-
Profit and loss account		<u>(50,340,220)</u>	<u>(45,779,636)</u>
Total equity		<u>(1)</u>	<u>(198,685)</u>

The company made a loss after tax for the financial year of £4,560,547 (2016 - loss of £198,837).

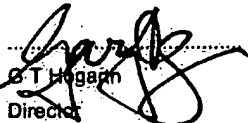
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the director on 22/8/18


G. T. Higgins
Director

LILESTONE HOLDINGS LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2017
Equity attributable to the parent company

	Share capital £	Share premium £	Profit and loss account £	Total equity £	
At 1 January 2016	19,714,274	19,435,174	(42,735,704)	(3,586,256)	
Loss for the year	-	-	(4,348,881)	(4,348,881)	
Other comprehensive income	-	-	(730)	(730)	
Total comprehensive income	-	-	(4,349,611)	(4,349,611)	
New share capital subscribed	6,431,503	-	-	6,431,503	
At 31 December 2016	<u>26,145,777</u>	<u>19,435,174</u>	<u>(47,085,315)</u>	<u>(1,504,364)</u>	
	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2017	26,145,777	19,435,174	-	(47,085,315)	(1,504,364)
Loss for the year	-	-	-	(312,792)	(312,792)
Other comprehensive income	-	-	-	15,854	15,854
Total comprehensive income	-	-	-	(296,938)	(296,938)
New share capital subscribed	3,393,641	1,365,627	-	-	4,759,268
Purchase of own share capital	(26,145,777)	-	-	(37)	(26,145,814)
Other capital redemption reserve movements	-	-	26,145,777	-	26,145,777
At 31 December 2017	<u>3,393,641</u>	<u>20,800,801</u>	<u>26,145,777</u>	<u>(47,382,290)</u>	<u>2,957,929</u>

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

LILESTONE HOLDINGS LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Share premium £	Profit and loss account £	Total £	
At 1 January 2016	19,417,274	19,435,174	(45,580,799)	(6,728,351)	
Loss for the year	-	-	(198,837)	(198,837)	
Total comprehensive income	-	-	(198,837)	(198,837)	
New share capital subscribed	6,728,503	-	-	6,728,503	
At 31 December 2016	<u>26,145,777</u>	<u>19,435,174</u>	<u>(45,779,636)</u>	<u>(198,685)</u>	
	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2017	26,145,777	19,435,174	-	(45,779,636)	(198,685)
Loss for the year	-	-	-	(4,560,547)	(4,560,547)
Total comprehensive income	-	-	-	(4,560,547)	(4,560,547)
New share capital subscribed	3,393,641	1,365,627	-	-	4,759,268
Purchase of own share capital	(26,145,777)	-	-	(37)	(26,145,814)
Other capital redemption reserve movements	-	-	26,145,777	-	26,145,777
At 31 December 2017	<u>3,393,641</u>	<u>20,800,801</u>	<u>26,145,777</u>	<u>(50,340,220)</u>	<u>(1)</u>

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

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

1 GENERAL INFORMATION

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
100 New Bridge Street
London
EC4V 6JA

The principal activity of the company is that of a holding company and of the group is that of the design and retail of luxury lingerie and accessories.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Summary of disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2017.

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements and estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Tangible fixed assets are depreciated to their estimated residual values over their estimated useful lives. The company exercises judgement to determine these useful lives and residual values.

Intangible fixed assets are amortised to their estimated residual values over their estimated useful lives. The company exercises judgement to determine these useful lives and residual values.

Provision is made for slow-moving and obsolete stock. The company exercises judgement to determine the quantum of the provision.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

Tax

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

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line
Patents, trademarks and licences	20% straight line

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	over two to five years
Equipment	over two to five years

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investments is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investments is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group 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.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company assigned to those units.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

3 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	719,001	1,299,214
Social security costs	85,138	167,052
Pension costs, defined contribution scheme	9,690	21,125
Other employee expense	614	28,355
	<u>814,443</u>	<u>1,515,746</u>

The average number of persons employed by the group (including the director) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Administration and support	1	1
Other departments	1	1
	<u>2</u>	<u>2</u>

4 OPERATING LOSS

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	18,979	23,286
Amortisation expense	10,161	10,161
Auditor's remuneration	-	25,000

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

5 INTANGIBLE ASSETS

Group

	Goodwill £	Trademarks, patents and licenses £	Total £
Cost or valuation			
At 1 January 2017	735,250	50,807	786,057
At 31 December 2017	735,250	50,807	786,057
Amortisation			
At 1 January 2017	735,250	11,008	746,258
Amortisation charge	-	10,161	10,161
At 31 December 2017	735,250	21,169	756,419
Carrying amount			
At 31 December 2017	-	29,638	29,638
At 31 December 2016	-	39,799	39,799

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

6 TANGIBLE ASSETS

Group

	Furniture, fittings and equipment £	Property, plant and equipment £	Total £
Cost or valuation			
At 1 January 2017	102,292	60,645	162,937
Additions	-	24,291	24,291
Disposals	<u>(22,293)</u>	<u>(14,472)</u>	<u>(36,765)</u>
At 31 December 2017	<u>79,999</u>	<u>70,464</u>	<u>150,463</u>
Depreciation			
At 1 January 2017	102,292	32,970	135,262
Charge for the year	-	18,978	18,978
Eliminated on disposal	<u>(22,293)</u>	<u>(14,472)</u>	<u>(36,765)</u>
At 31 December 2017	<u>79,999</u>	<u>37,476</u>	<u>117,475</u>
Carrying amount			
At 31 December 2017	<u>-</u>	<u>32,988</u>	<u>32,988</u>
At 31 December 2016	<u>-</u>	<u>27,674</u>	<u>27,674</u>

7 INVESTMENTS

Company

	£
Subsidiaries	
Cost or valuation	
At 1 January 2017	44,337,794
Additions	<u>4,458,704</u>
At 31 December 2017	<u>48,796,498</u>
Provision	
At 1 January 2017	44,337,794
Provision	<u>4,458,704</u>
At 31 December 2017	<u>48,796,498</u>
Carrying amount	
At 31 December 2017	<u>-</u>

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

DETAILS OF UNDERTAKINGS

Subsidiary undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Lilestone Limited	100 New Bridge Street London EC4V 6JA England & Wales	Ordinary shares	100%	100%
Myla Investments Limited	70 Sir John Rogerson's Quay Dublin 2 Ireland	Ordinary shares	100%	100%
Myla Inc	c/o Corporation Service Company 251 Little Falls Drive Wilmington 19808 Delaware United States	Ordinary shares	100%	100%
Lilestone Overseas Limited	100 New Bridge Street London EC4V 6JA England & Wales	Ordinary shares	100%	100%

8 DEBTORS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	25,171	65,842	-	-
Other debtors	2,183,424	2,332,314	-	-
Prepayments	54,765	22,370	-	-
	<u>2,263,360</u>	<u>2,420,526</u>	-	-

At 31 December 2017 an amount of £1,871,503 (2016: £2,000,000) was held in escrow on behalf of the group, secured by a fixed charge in favour of a supplier in respect of future liabilities. At 31 December 2017 an amount of £Nil (2017: £198,182) was due to this supplier.

9 CREDITORS

Note	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Due within one year				
Loans and borrowings	-	198,787	-	198,787
Trade creditors	85,441	2,188,049	-	-
Social security and other taxes	24,839	35,472	-	-
Other payables	4,183	113,498	1	-
Accruals	205,978	1,732,138	-	-
	<u>320,441</u>	<u>4,267,944</u>	<u>1</u>	<u>198,787</u>

LILESTONE HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2017

10 RELATED PARTY TRANSACTIONS

Group

In accordance with FRS 102 paragraph 1AC.35 exemption is taken not to disclose transactions in the year between wholly owned group undertakings.

11 COMMITMENTS

Group - Operating Leases

The total amount of financial commitments not included in the statement of financial position is £337,500 (2016 - £11,962,500).