

**AVIRAT, LTD**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**AVIRAT, LTD**

**COMPANY INFORMATION**

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | J Kissoon<br>L Patterson  |
| <b>Company secretary</b> | F&L CoSec Limited   |
| <b>Registered number</b> | 09469079  |
| <b>Registered office</b> | New Penderel House<br>4th Floor<br>283-288 High Holborn<br>London<br>United Kingdom<br>WC1V 7HP   |
| <b>Accountants</b>       | F&L Corporate Reporting Services Limited<br>New Penderel House<br>4th Floor<br>283-288 High Holborn<br>London<br>United Kingdom<br>WC1V 7HP |

AVIRAT, LTD

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**BALANCE SHEET  
 AS AT 31 DECEMBER 2018**

|  | Note | 2018<br>£        | As restated<br>2017<br>£ |
|--|------|------------------|--------------------------|
| <b>Current assets</b>                          |      |                  |                          |
| Debtors: amounts falling due within one year   |      | -                | 326                      |
| Cash at bank and in hand                       | 4    | 13,207           | 2,807                    |
|  |      | <u>13,207</u>    | <u>3,133</u>             |
| Creditors: amounts falling due within one year | 5    | (128,194)        | (86,567)                 |
| <b>Net current liabilities</b>                 |      | <u>(114,987)</u> | <u>(83,434)</u>          |
| <b>Total assets less current liabilities</b>   |      | <u>(114,987)</u> | <u>(83,434)</u>          |
| <b>Net liabilities</b>                         |      | <u>(114,987)</u> | <u>(83,434)</u>          |
| <b>Capital and reserves</b>                    |      |                  |                          |
| Called up share capital                        |      | 1                | 1                        |
| Profit and loss account                        |      | (114,988)        | (83,435)                 |
|  |      | <u>(114,987)</u> | <u>(83,434)</u>          |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....  
**J Kissoon**  
 Director

Date: 11 July 2019

**AVIRAT, LTD**  
**REGISTERED NUMBER:09469079**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

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The notes on pages 4 to 6 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|   | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£ |
|---|---------------------------------|---------------------------------|-------------------|
| <b>At 1 January 2017</b>                        | <b>1</b>                        | <b>(37,342)</b>                 | <b>(37,341)</b>   |
| Loss for the year                               | -                               | (46,093)                        | (46,093)          |
| <b>At 1 January 2018 (as previously stated)</b> | <b>1</b>                        | <b>(78,958)</b>                 | <b>(78,957)</b>   |
| Prior year adjustments (Note 5)                 | -                               | (4,477)                         | (4,477)           |
| <b>At 1 January 2018 (as restated)</b>          | <b>1</b>                        | <b>(83,435)</b>                 | <b>(83,434)</b>   |
| Loss for the year                               | -                               | (31,553)                        | (31,553)          |
| <b>At 31 December 2018</b>                      | <b>1</b>                        | <b>(114,988)</b>                | <b>(114,987)</b>  |

The notes on pages 4 to 6 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. Accounting policies**

**1.1 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements have been prepared on the going concern basis as the parent company, Avirat, Inc., has indicated its continuing report to the Company. Should this support be withdrawn, then all the Company's assets would have to be restated at their net realisable value and its liabilities would have to be treated as falling due on demand.

The following principal accounting policies have been applied:

**1.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Rendering of services**

Turnover 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 turnover 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.

**1.3 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.

**1.4 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.

**1.5 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. Accounting policies (continued)**

**1.6 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.

**2. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

The average monthly number of employees, excluding the directors, during the year was 0 (2017 - 0).

**3. Debtors**

|               | <b>2018</b> | <i>As restated</i><br><b>2017</b> |
|---------------|-------------|-----------------------------------|
|               | <b>£</b>    | <b>£</b>                          |
| Other debtors | -           | 326                               |
|               | <u>-</u>    | <u>326</u>                        |
|               | <u>-</u>    | <u>326</u>                        |

**4. Cash and cash equivalents**

|                          | <b>2018</b>   | <b>2017</b>  |
|--------------------------|---------------|--------------|
|                          | <b>£</b>      | <b>£</b>     |
| Cash at bank and in hand | <b>13,207</b> | 2,807        |
|                          | <u>13,207</u> | <u>2,807</u> |
|                          | <u>13,207</u> | <u>2,807</u> |



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**5. Creditors: Amounts falling due within one year**

|                                    | <b>2018</b>           | <i>As restated</i><br><b>2017</b> |
|------------------------------------|-----------------------|-----------------------------------|
|                                    | £                     | £                                 |
| Amounts owed to group undertakings | <b>123,336</b>        | 82,642                            |
| Other taxation and social security | <b>933</b>            | -                                 |
| Accruals and deferred income       | <b>3,925</b>          | 3,925                             |
|                                    | <u><b>128,194</b></u> | <u>86,567</u>                     |

**6. Prior year adjustments**

During the year, management noted that they had previously been accounting for their sales and expenses gross of VAT. A prior year adjustment has been recognised to correct this resulting in a decrease in prior year turnover of £2,730 and of £3,056 to administrative expenses. This also increased other debtors by £326.

Management also noted an understatement of their prior year cost of sales of £4,803 and an adjustment has been recognised in order to increase the prior year cost of sales and amounts owed to group undertaking by that amount.

The aggregate of these adjustments has increased the previously reported loss and retained earnings deficit by £4,477.

**7. Controlling party**

Avirat, Inc. is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 230 13th Avenue NE, Minneapolis, MN 55413, USA.

**8. Post balance sheet events**

There were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.

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