

STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016
FOR
FIFTY SHADES LTD



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FOR THE YEAR ENDED 30 SEPTEMBER 2016

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FIFTY SHADES LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2016

DIRECTOR: E L Mitchell

SECRETARY: N P Leonard

REGISTERED OFFICE: Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

REGISTERED NUMBER: 07934674

AUDITORS: The Paris Partnership LLP
Chartered Accountants and
Statutory Auditors
Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

SOLICITORS: Aslan Charles Kousetta
Castle House
75 Wells Street
London
W1T 3QH

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The director presents her strategic report for the year ended 30 September 2016.

The principle activity of the company in the year of review was that of ownership and administering of authors rights.

REVIEW OF BUSINESS

The company had a very successful year during which it secured further royalty and licensing agreements.

The results for the period and financial position of the company are as shown in the annexed financial statements.

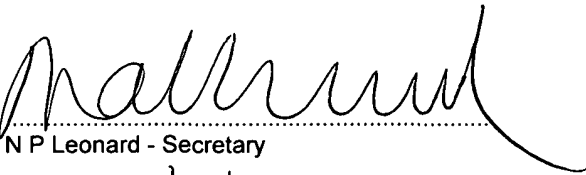
Principal risks and uncertainties

The company's international transactions give rise to the risk of exchange rate losses.

Looking forward

The company continues to be profitable with income streams contracted to continue for a number of years.

ON BEHALF OF THE BOARD:



N P Leonard - Secretary

Date: 13/6/17

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

The director presents her report with the financial statements of the company for the year ended 30 September 2016.

DIVIDENDS

Interim dividends per share were paid as follows:

£24,000	- 1 October 2015
£8,000	- 1 April 2016
£70,500	- 1 July 2016
<u>£102,500</u>	

The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2016 will be £10,250,000.

DIRECTOR

E L Mitchell held office during the whole of the period from 1 October 2015 to the date of this report.

CHARITABLE DONATIONS

During the year the company made charitable donations of £1,139,659 (2015: £1,016,698)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

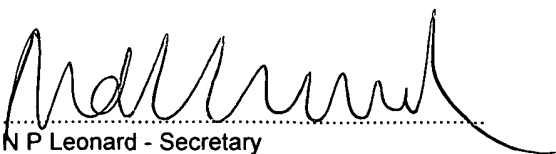
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, The Paris Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



N P Leonard - Secretary

Date: 13/6/17

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIFTY SHADES LTD

We have audited the financial statements of Fifty Shades Ltd for the year ended 30 September 2016 on pages five to nineteen. The financial reporting framework that has been applied in their preparation is 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'.

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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 Auditing Practices Board'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 director; 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 Report of the Director 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 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

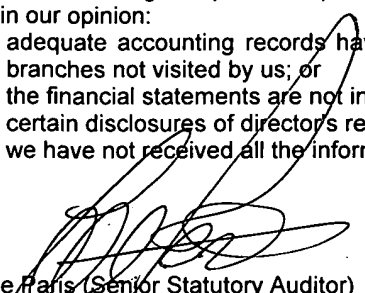
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.


Lee Paris (Senior Statutory Auditor)
for and on behalf of The Paris Partnership LLP
Chartered Accountants and
Statutory Auditors
Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

Date: 13/6/17

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
TURNOVER	3	16,163,082	29,790,104
Cost of sales		<u>(2,234,163)</u>	<u>(3,877,483)</u>
GROSS PROFIT		13,928,919	25,912,621
Administrative expenses		<u>3,714,810</u>	<u>(1,043,811)</u>
OPERATING PROFIT	5	17,643,729	24,868,810
Income from fixed asset investments	6	241,571	123,459
Interest receivable and similar income	7	<u>37,657</u>	<u>56,067</u>
		17,922,957	25,048,336
Interest payable and similar charges	8	<u>(2,931)</u>	<u>(1,225)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,920,026	25,047,111
Tax on profit on ordinary activities	9	<u>(3,836,098)</u>	<u>(5,192,040)</u>
PROFIT FOR THE FINANCIAL YEAR		14,083,928	19,855,071
OTHER COMPREHENSIVE INCOME			
Unrealised surplus on revaluation		1,385,333	31,828
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		1,385,333	31,828
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>15,469,261</u>	<u>19,886,899</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	48,099	62,049
Investments	12	20,286,059	14,638,975
		<u>20,334,158</u>	<u>14,701,024</u>
CURRENT ASSETS			
Debtors	13	2,349,127	7,942,811
Cash at bank		37,414,766	33,533,977
		<u>39,763,893</u>	<u>41,476,788</u>
CREDITORS			
Amounts falling due within one year	14	(2,038,134)	(3,608,090)
NET CURRENT ASSETS		<u>37,725,759</u>	<u>37,868,698</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>58,059,917</u>	<u>52,569,722</u>
PROVISIONS FOR LIABILITIES	15	(347,352)	(76,418)
NET ASSETS		<u>57,712,565</u>	<u>52,493,304</u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Investment Fair Value Reserve	17	1,688,658	303,325
Retained earnings	17	56,023,807	52,189,879
SHAREHOLDERS' FUNDS		<u>57,712,565</u>	<u>52,493,304</u>

The financial statements were approved by the director on 13/6/17 and were signed by:


 E L Mitchell - Director

FIFTY SHADES LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Called up share capital £	Retained earnings £	Investment Fair Value Reserve £	Total equity £
Balance at 1 October 2014	100	37,164,808	271,497	37,436,405
Changes in equity				
Dividends	-	(4,830,000)	-	(4,830,000)
Total comprehensive income	-	19,855,071	31,828	19,886,899
Balance at 30 September 2015	100	52,189,879	303,325	52,493,304
Changes in equity				
Dividends	-	(10,250,000)	-	(10,250,000)
Total comprehensive income	-	14,083,928	1,385,333	15,469,261
Balance at 30 September 2016	100	56,023,807	1,688,658	57,712,565

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	22,090,565	19,441,465
Interest paid		(2,931)	(1,225)
Tax paid		(4,473,877)	(3,618,344)
Taxation deducted at source		1,690	152
Net cash from operating activities		17,615,447	15,822,048
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,366)	(7,995)
Purchase of fixed asset investments		(4,408,758)	(4,231,311)
Sale of fixed asset investments		655,972	279,075
Interest received		37,657	56,067
Dividends received		241,571	123,459
Net cash from investing activities		(3,479,924)	(3,780,705)
Cash flows from financing activities			
Amount introduced by directors		-	613
Amount withdrawn by directors		(4,734)	-
Equity dividends paid		(10,250,000)	(4,830,000)
Net cash from financing activities		(10,254,734)	(4,829,387)
Increase in cash and cash equivalents		3,880,789	7,211,956
Cash and cash equivalents at beginning of year	2	33,533,977	26,322,021
Cash and cash equivalents at end of year	2	37,414,766	33,533,977

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	17,920,026	25,047,111
Depreciation charges	20,316	25,052
Profit on disposal of fixed assets	(508,965)	(156,277)
Unrealised currency translation	-	16,270
Finance costs	2,931	1,225
Finance income	(279,228)	(179,526)
	17,155,080	24,753,855
Decrease/(increase) in trade and other debtors	5,593,684	(5,848,413)
(Decrease)/increase in trade and other creditors	(658,199)	536,023
Cash generated from operations	22,090,565	19,441,465

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2016

	30.9.16	1.10.15
	£	£
Cash and cash equivalents	37,414,766	33,533,977

Year ended 30 September 2015

	30.9.15	1.10.14
	£	£
Cash and cash equivalents	33,533,977	26,322,021

The notes form part of these financial statements

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

1. COMPANY INFORMATION

Fifty Shade Ltd is a limited company domiciled and incorporated in England and Wales. The registered office is Russell House, 140 High Street, Edgware, Middlesex, HA8 7LW.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts are rounded to the nearest pound.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

Turnover

Turnover represents royalties excluding value added tax.

Tangible fixed assets

Tangible fixed assets are initially measured at cost or valuation, net of depreciation and any impairment losses

Depreciation is provided at the following annual rates in order to write-off each asset over its estimated useful life

Fixtures and Fittings	- 25% on reducing balance
Motor Vehicles	- 25% on reducing balance
Computer Equipment	- 33.33% on cost

Taxation

Current tax is recognised for the amount of Corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax is recognised as a liability or an asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the Balance Sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Revenue recognition

Royalty income relating to the sale by a licensee of licensed product is recognised on an accruals basis in accordance with the substance of the relevant agreement and based on the receipt from the licensee of the relevant information to enable calculation of the royalty due.

Advance payments from publishers are accounted for in accordance with the terms of the contract. Where such payments are advance royalties the amount is included in the Balance Sheet as deferred income and is accounted for as income in accordance with the accounting policy for royalty income.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2. ACCOUNTING POLICIES - continued

Fixed asset investments

Fixed asset investments are recognised at market value at the balance sheet date. Additions are recognised at historical cost plus direct transaction costs. Increases in value during the period are reflected in the revaluation reserve, whilst impairment losses in excess of any previous revaluation gains are recorded in the profit and loss account.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	233,728	3,604,025
Europe	9,545,167	10,805,966
Rest of the World	6,384,187	15,380,113
	<u>16,163,082</u>	<u>29,790,104</u>

4. STAFF COSTS

	2016 £	2015 £
Wages and salaries	19,970	16,000
Social security costs	657	-
Other pension costs	90,000	80,000
	<u>110,627</u>	<u>96,000</u>

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

	2016	2015
Director	1	1
Administration	1	1
	<u>2</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Other operating leases	68,072	-
Depreciation - owned assets	20,316	25,052
Profit on disposal of fixed assets	(508,965)	(156,277)
Auditors' remuneration	7,500	6,500
Other non- audit services	42,400	39,000
Foreign exchange differences	<u>(5,211,037)</u>	<u>(600,650)</u>
Director's remuneration	8,100	8,050
Director's pension contributions to money purchase schemes	<u>50,000</u>	<u>40,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>-</u>
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6. INCOME FROM FIXED ASSET INVESTMENTS

	2016 £	2015 £
Other fixed asset invest - FII	183,377	122,693
Investment interest received	58,194	766
	<u>241,571</u>	<u>123,459</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Deposit account interest	<u>37,657</u>	<u>56,067</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest	2,931	2
Other interest	-	1,223
	<u>2,931</u>	<u>1,225</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

9. TAXATION

	2016	2015
	£	£
Current tax:		
UK corporation tax	3,565,165	5,115,408
Excess withholding tax	-	214
Total current tax	3,565,164	5,115,622
Deferred tax	270,934	76,418
Tax on profit on ordinary activities	3,836,098	5,192,040
Factors affecting tax charge for the period:		
Profit on ordinary activities before tax	£ 17,920,027	£ 25,047,111
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21% and 20%)	£ 3,584,005	£ 5,134,658
Effects of:		
Franked investment income	(36,675)	(25,153)
Investment interest	-	(157)
Depreciation	4,063	5,136
Profit on disposal of assets	(7,347)	-
Expenses not deductible for tax purposes	22,392	2,777
Capital allowances	(1,273)	(1,639)
Deferred tax	270,934	76,418
Current tax charge per the Profit and Loss account	3,836,098	5,192,040

The average rate at which Corporation Tax has been charged is 20% (2015: 20.50%).

10. DIVIDENDS

	2016	2015
	£	£
Ordinary shares of £1 each		
Interim	10,250,000	4,830,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 October 2015	3,077	95,230	20,847	119,154
Additions	-	-	6,366	6,366
At 30 September 2016	3,077	95,230	27,213	125,520
DEPRECIATION				
At 1 October 2015	1,326	41,664	14,115	57,105
Charge for year	438	13,392	6,486	20,316
At 30 September 2016	1,764	55,056	20,601	77,421
NET BOOK VALUE				
At 30 September 2016	1,313	40,174	6,612	48,099
At 30 September 2015	1,751	53,566	6,732	62,049

12. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 October 2015	14,638,975
Additions	4,414,466
Disposals	(147,007)
Revaluations	1,385,333
Exchange differences	(5,708)
At 30 September 2016	20,286,059
NET BOOK VALUE	
At 30 September 2016	20,286,059
At 30 September 2015	14,638,975

Cost or valuation at 30 September 2016 is represented by:

	Listed investments £
Valuation in 2016	20,286,059

If fixed asset investments had not been revalued they would have been included at the following historical cost:

	2016 £	2015 £
Cost	20,286,059	14,638,975

Fixed asset investments were valued on an open market basis on 30 September 2016 by C. Hoare & Co.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
VAT	45,314	11,265
Prepayments and accrued income	2,303,813	7,931,546
	<u>2,349,127</u>	<u>7,942,811</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	26,106	23,756
Tax	1,765,588	2,672,611
Social security and other taxes	463	970
Credit Cards	7,399	10,558
Directors' current accounts	482	5,216
Accrued expenses	238,096	894,979
	<u>2,038,134</u>	<u>3,608,090</u>

15. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	9,620	12,720
Other timing differences	337,732	63,698
	<u>347,352</u>	<u>76,418</u>
		Deferred tax
		£
Balance at 1 October 2015		
As previously reported		12,720
Prior year adjustment		63,698
		<u>76,418</u>
As restated		76,418
Provided during year		(3,100)
Deferred Tax on Investments		274,034
		<u>347,352</u>
Balance at 30 September 2016		<u>347,352</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

17. RESERVES

	Retained earnings £	Investment Fair Value Reserve £	Totals £
At 1 October 2015	52,189,879	303,325	52,493,204
Profit for the year	14,083,928		14,083,928
Dividends	(10,250,000)		(10,250,000)
Cash share issue	-	1,385,333	1,385,333
	<u>56,023,807</u>	<u>1,688,658</u>	<u>57,712,465</u>
At 30 September 2016	<u>56,023,807</u>	<u>1,688,658</u>	<u>57,712,465</u>

18. PENSION COMMITMENTS

The company operates a defined contribution 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 £90,000.

19. CAPITAL COMMITMENTS

The company had no outstanding capital commitments at the balance sheet date.

20. RELATED PARTY DISCLOSURES

E L Mitchell

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>482</u>	<u>5,216</u>

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is E L Mitchell.

22. FIRST YEAR ADOPTION

FRS 102 was adopted on 1 October 2015. The transition has resulted in the requirement for a provision for deferred tax. Therefore, the comparatives have been restated. The reconciliation between the old and the new frameworks show in the Reconciliation of Equity at 1 October 2014 and 30 September 2015. The last Financial Statements reported under the previous framework was 30 September 2015.

**RECONCILIATION OF EQUITY
1 OCTOBER 2014
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	9	79,106	-	79,106
Investments	10	10,514,904	-	10,514,904
		<u>10,594,010</u>	<u>-</u>	<u>10,594,010</u>
CURRENT ASSETS				
Debtors	11	195,111	-	195,111
Prepayments and accrued income	11	1,899,287	-	1,899,287
Cash at bank		26,322,021	-	26,322,021
		<u>28,416,419</u>	<u>-</u>	<u>28,416,419</u>
CREDITORS				
Amounts falling due within one year	12	(1,574,024)	-	(1,574,024)
NET CURRENT ASSETS		<u>26,842,395</u>	<u>-</u>	<u>26,842,395</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		37,436,405	-	37,436,405
PROVISIONS FOR LIABILITIES	13	-	(57,014)	(57,014)
NET ASSETS		<u>37,436,405</u>	<u>(57,014)</u>	<u>37,379,391</u>
CAPITAL AND RESERVES				
Called up share capital	14	100	-	100
Revaluation reserve	15	271,497	(271,497)	-
Investment Fair Value Reserve		-	271,497	271,497
Retained earnings	15	37,164,808	(57,014)	37,107,794
SHAREHOLDERS' FUNDS		<u>37,436,405</u>	<u>(57,014)</u>	<u>37,379,391</u>

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
30 SEPTEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	9	62,049	-	62,049
Investments	10	14,638,975	-	14,638,975
		<u>14,701,024</u>	<u>-</u>	<u>14,701,024</u>
CURRENT ASSETS				
Debtors	11	7,942,811	-	7,942,811
Cash at bank		33,533,977	-	33,533,977
		<u>41,476,788</u>	<u>-</u>	<u>41,476,788</u>
CREDITORS				
Amounts falling due within one year	12	(3,608,090)	-	(3,608,090)
NET CURRENT ASSETS		<u>37,868,698</u>	<u>-</u>	<u>37,868,698</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		52,569,722	-	52,569,722
PROVISIONS FOR LIABILITIES	13	(12,720)	(63,698)	(76,418)
NET ASSETS		<u>52,557,002</u>	<u>(63,698)</u>	<u>52,493,304</u>
CAPITAL AND RESERVES				
Called up share capital	14	100	-	100
Revaluation reserve	15	303,325	(303,325)	-
Investment Fair Value Reserve		-	303,325	303,325
Retained earnings	15	52,253,577	(63,698)	52,189,879
SHAREHOLDERS' FUNDS		<u>52,557,002</u>	<u>(63,698)</u>	<u>52,493,304</u>

The notes form part of these financial statements

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	29,790,104	-	29,790,104
Cost of sales	(3,877,483)	-	(3,877,483)
GROSS PROFIT	25,912,621	-	25,912,621
Administrative expenses	(1,043,811)	-	(1,043,811)
OPERATING PROFIT	24,868,810	-	24,868,810
Income from fixed asset investments	123,459	-	123,459
Interest receivable and similar income	56,067	-	56,067
Interest payable and similar charges	(1,225)	-	(1,225)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	25,047,111	-	25,047,111
Tax on profit on ordinary activities	(5,128,342)	(63,698)	(5,192,040)
PROFIT FOR THE FINANCIAL YEAR	19,918,769	(63,698)	19,855,071

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