

THE KOBAL COLLECTION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016



THE KOBAL COLLECTION LIMITED

COMPANY INFORMATION

DIRECTORS

A. J. Cohen
A. M. Craven
L. Dives
W. M. Dives
D. Kent
M. Hinrich
C. D. Smedley

REGISTERED NUMBER

03723218

REGISTERED OFFICE

56 Milverton Road
London
England
NW6 7AP

INDEPENDENT AUDITORS

Wilder Coe Ltd
Chartered Accountants & Statutory Auditors
233-237 Old Marylebone Road
London
NW1 5QT

THE KOBAL COLLECTION LIMITED

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THE KOBAL COLLECTION LIMITED
REGISTERED NUMBER: 03723218

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	3		2,004,492		2,004,492
CURRENT ASSETS					
Debtors: amounts falling due within one year	4	168,308		-	
Cash at bank and in hand	5	37		72	
Creditors: amounts falling due within one year	6	(33,002)		(3,677)	
NET CURRENT LIABILITIES			135,343		(3,605)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,139,835		2,000,887
Creditors: amounts falling due after more than one year	7		-		(953,133)
NET ASSETS			2,139,835		1,047,754
CAPITAL AND RESERVES					
Called up share capital	8		1,022,094		1,022,094
Profit and loss account			1,117,741		25,660
EQUITY SHAREHOLDERS' FUNDS			2,139,835		1,047,754

The financial statements have been prepared and delivered 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 company has opted not to file the Directors' Report and Profit and Loss Account in accordance with the provisions applicable to companies subject to small companies' regime under section 444 of Companies Act 2006.

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

13 February 2017



W. M. Dives
Director

The notes on pages 2 to 6 form part of these financial statements.

THE KOBAL COLLECTION LIMITED

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

The Company has elected for early first-time adoption of Financial Reporting Standard 102, section 1A with the effective date of transition being 1 October 2014.

The information on the impact of first-time adoption of FRS 102 is given in note 12.

The following principal accounting policies have been applied:

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard 102, section 1A.7 from the requirement to produce a Statement of Cash Flows on the grounds that it is a small company.

1.3 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:

Sale of goods

Turnover 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 turnover 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.

THE KOBAL COLLECTION LIMITED

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

1. ACCOUNTING POLICIES (CONTINUED)

1.4 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.

Depreciation is provided on the following basis:

Collection prints and photos - Not depreciated

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 Income and Retained Earnings.

1.5 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.

1.6 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.

1.7 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 accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

1.8 Creditors

Short term creditors are measured at the transaction price.

THE KOBAL COLLECTION LIMITED

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

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Taxation

Tax is recognised in the Statement of Income and Retained Earnings.

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

2. EMPLOYEES

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

	2016	2015
Directors	7	7

3. TANGIBLE FIXED ASSETS

	Office equipment £
COST OR VALUATION	
At 1 October 2015	2,004,492
At 30 September 2016	2,004,492
DEPRECIATION	
At 1 October 2015	-
At 30 September 2016	-
NET BOOK VALUE	
At 30 September 2016	2,004,492
At 30 September 2015	2,004,492

THE KOBAL COLLECTION LIMITED

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

4. DEBTORS

	2016 £	2015 £
Other debtors	168,308	-
	<u>168,308</u>	<u>-</u>

5. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	37	72
	<u>37</u>	<u>72</u>

6. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Corporation tax	29,177	177
Taxation and social security	25	25
Accruals and deferred income	3,800	3,475
	<u>33,002</u>	<u>3,677</u>

7. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to related parties	-	953,133
	<u>-</u>	<u>953,133</u>

THE KOBAL COLLECTION LIMITED

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

8. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
660 Ordinary shares of £0.10 each	66	66
1,022,028 Redeemable preference shares of £1 each	1,022,028	1,022,028
	<hr/>	<hr/>
	1,022,094	1,022,094
	<hr/>	<hr/>

The redeemable preference shares pay no dividend, but are redeemable at a premium in the event of the company having in excess of £200,000 of cash, after the company has repaid all of its creditors.

9. RELATED PARTY TRANSACTIONS

Included within other debtors at the year end is an amount due from The Picture Desk Limited of £168,308 (2015: £944,269 *other creditors*), a company related by virtue of common directorship and ownership.

Included within amounts owed to related parties at the year end is an amount due to The Corona Group Limited of £Nil (2015: £8,814), a company related by virtue of common directorship and ownership.

During the year, the company was charged a management fee of £Nil (2015: £30,000) by The Picture Desk Limited, a company related by virtue of common directorship and ownership, for technical support and management.

During the year, sales of £155,685 (2015: £57,547) were recognised as made to The Picture Desk Limited, a company related by virtue of common directorship and ownership.

10. ULTIMATE PARENT UNDERTAKING

As at 30 September 2016 and 30 September 2015, the ultimate parent undertaking of the company was Kobal Collection (Holdings) Limited, a company incorporated in England and Wales.

11. ULTIMATE CONTROLLING PARTY

As at 30 September 2016 and 30 September 2015, the ultimate controlling parties of the company remained Mr W. M Dives by virtue of his shareholding in the ultimate parent undertaking and position as Managing Director, and Mrs L. Dives, by virtue of her shareholding in the ultimate parent undertaking.

12. 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.

13. AUDITORS' INFORMATION

The company was subject to an audit for the year ended 30 September 2016. The audit report issued by Robert Coe BA FCA, as senior statutory auditor of Wilder Coe Ltd, was issued with an unqualified opinion.