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COMPANY REGISTRATION NUMBER 00979521

WELLCOM LONDON LIMITED

FINANCIAL STATEMENTS

30 JUNE 2015

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WELLCOM LONDON LIMITED
FINANCIAL STATEMENTS
AS AT 30 JUNE 2015

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WELLCOM LONDON LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 30 JUNE 2015

Company registration number	00979521
The board of directors	Mr W W Sidwell Mr C A Anzarut Mr A S Lumsden
Company secretary	Mr A S Lumsden
Registered office	7 Curtain Road London EC2A 3LT
Auditor	Sayers Butterworth LLP 3rd Floor 12 Gough Square London EC4A 3DW
Bankers	Lloyds TSB Holborn Circus Thavies Inn House 6 Holborn Circus London EC1N 2HP
Solicitors	Thomas Eggar LLP The Corn Exchange Baffin's Lane Chichester West Sussex PO19 1GE

WELLCOM LONDON LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The directors present their strategic report for the year ended 30 June 2015.

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Business Review

- The business made a Loss before tax for the year of £85,336 against a Profit of £422,293 for 2014. Sales for the year were £7,136,082 against £5,898,160 for 2014, producing a value add margin of £3,093,182 for 2015 (43.35%), and £2,688,044 for 2014 (45.62%) respectively. The resultant loss for 2015 was attributable to additional staff costs and staff hires that supported new Client wins in the year. A full years Revenue for these Clients is to be expected in 2016.
- The business cash position remains positive.
- Future planned developments that will further improve the profitability of the business are anticipated early in year 2015 2016.

Principal Risks and Uncertainties

- Competitive pricing pressure within the sector and the economy generally is a key risk to the business as are potentially associated decisions by Clients to consolidate or change supply, or supply in-house. The company manages this risk by providing value added services, continually improving and extending service offerings, and by maintaining strong client relationships.

Year End Position

During the year to 30 June 2015, the company has recognised a loss of £74,083 (2014: profit of £320,176). There are no immediate developments relevant at the year end.

WELLCOM LONDON LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and financial statements for the year ended 30 June 2015.

PRINCIPAL ACTIVITY

The principal activity of the company was that of the provision of pre media services.

DIRECTORS

The following directors served during the year

Mr W W Sidwell

Mr C A Anzarut

Mr A S Lumsden

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

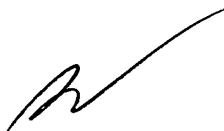
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Sayers Butterworth LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on 31 July 2015 and signed on its behalf by



Director

WELLCOM LONDON LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2015

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. 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 group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

WELLCOM LONDON LIMITED

Independent auditor's report to the shareholders of Wellcom London Limited FOR THE YEAR ENDED 30 JUNE 2015

We have audited the financial statements of Wellcom London Limited for the year ended 30 June 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 set out on page 4 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 Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT

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 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 2015 and of its results for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and;
- have been prepared in accordance with the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

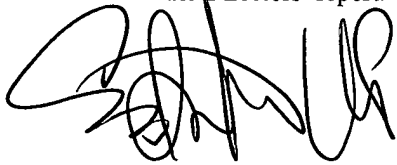
WELLCOM LONDON LIMITED

**Independent auditor's report to the shareholders of Wellcom London Limited (continued)
FOR THE YEAR ENDED 30 JUNE 2015**

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; or
- The directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.



Martin Dunne (Senior Statutory Auditor)

For and on behalf of:

Sayers Butterworth LLP
Chartered Accountants and Statutory Auditor
3rd Floor
12 Gough Square
London
EC4A 3DW

31 July 2015

WELLCOM LONDON LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
CONTINUING OPERATIONS			
Revenue		7,136,082	5,898,160
Cost of sales		(4,042,900)	(3,210,116)
GROSS PROFIT		3,093,182	2,688,044
Other operating income		12,205	56,740
Administrative expenses		(3,190,723)	(2,322,726)
OPERATING (LOSS)/PROFIT	3	(85,336)	422,058
Other non-operating income		-	235
(LOSS)/PROFIT BEFORE TAX		(85,336)	422,293
Income tax income/(expense)	6	11,253	(102,117)
(LOSS)/PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE (LOSS)/INCOME		(74,083)	320,176

The notes on pages 11 to 31 form part of these financial statements.

WELLCOM LONDON LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital	Other reserves	Retained earnings	Total equity
	£	£	£	£
Balance at 1 July 2014	1,700	300	2,156,498	2,158,498
Loss for the year	-	-	(74,083)	(74,083)
Total comprehensive income for the year	-	-	(74,083)	(74,083)
Balance at 30 June 2015	<u>1,700</u>	<u>300</u>	<u>2,082,415</u>	<u>2,084,415</u>

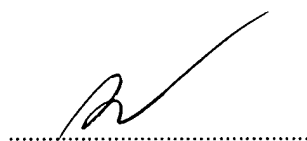
	Issued capital	Other reserves	Retained earnings	Total equity
	£	£	£	£
Balance at 1 July 2013	1,700	300	1,836,322	1,838,322
Profit for the year	-	-	320,176	320,176
Total comprehensive income for the year	-	-	320,176	320,176
Balance at 30 June 2014	<u>1,700</u>	<u>300</u>	<u>2,156,498</u>	<u>2,158,498</u>

The notes on pages 11 to 31 form part of these financial statements.

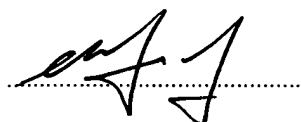
WELLCOM LONDON LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 £	2014 £
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	284,615	268,425
Goodwill	8	600,000	600,000
Deferred tax assets	9	40	40
		<u>884,655</u>	<u>868,465</u>
CURRENT ASSETS			
Inventories	13	190,316	169,989
Trade and other receivables	14	1,867,303	1,471,391
Prepayments		469,489	322,236
Cash and cash equivalents	15	631,795	690,007
		<u>3,158,903</u>	<u>2,653,623</u>
TOTAL ASSETS		<u>4,043,558</u>	<u>3,522,088</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	16	1,700	1,700
Reserves	17	300	300
Retained profits		2,082,415	2,156,498
TOTAL EQUITY		<u>2,084,415</u>	<u>2,158,498</u>
NON CURRENT LIABILITIES			
Trade and other payables	18	-	-
CURRENT LIABILITIES			
Provisions	19	40,877	26,511
Trade and other payables	18	1,918,266	1,337,079
		<u>1,959,143</u>	<u>1,363,590</u>
TOTAL EQUITY AND LIABILITIES		<u>4,043,558</u>	<u>3,522,088</u>

Approved by the Board on 31 July 2015 and signed on its behalf by



Director



Director

Company registration number: 00979521

The notes on pages 11 to 31 form part of these financial statements.

WELLCOM LONDON LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(85,336)	422,293
Adjustment for			
Depreciation		126,390	156,395
Loss on disposal of non-current assets		-	2,931
Investment income		-	(235)
(Increase) / decrease in trade and other receivables		(477,744)	(222,379)
(Increase)/decrease in inventories		(20,327)	(50,121)
Increase/(decrease) in trade payables		606,229	59,782
Increase/(decrease) in provisions		14,366	(1,304)
Cash generated from operations		163,578	367,362
Income taxes received/(paid)		(79,210)	(163,138)
NET CASH FROM OPERATING ACTIVITIES		84,368	204,224
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(142,580)	(165,263)
Interest received		-	234
NET CASH USED IN INVESTING ACTIVITIES		(142,580)	(165,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		-	-
NET CASH USED IN FINANCING ACTIVITIES		-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(58,212)	39,195
Cash and cash equivalents at 30 June 2014		690,007	650,812
CASH AND CASH EQUIVALENTS AT 30 JUNE 2015	15	631,795	690,007

The notes on pages 11 to 31 form part of these financial statements.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2015

1. AUTHORISATION OF FINANCIAL STATEMENTS

The company's financial statements for the year were authorised for issue on 31 July 2015 and the balance sheet signed on the board's behalf by Mr W Sidwell and Mr C A Anzarut. Wellcom London Limited is a limited company incorporated and domiciled in England & Wales.

2. ACCOUNTING POLICIES

Basis of preparation

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

The financial report is presented in UK Sterling and all values are rounded to the nearest pound (£) unless otherwise stated.

(i) New and amended standards adopted by the company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(ii) Early adoption of standards

The company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

(iii) Historical cost convention

The financial report has been prepared on a historical cost basis unless otherwise stated.

Statement of compliance with IFRS

Wellcom London Limited is a Limited company incorporated and domiciled in England and Wales. The company was incorporated on 6 May 1970. The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the ISAB and as adopted by the European Union.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions can be found in the relevant notes to the financial statements.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

(i) Significant accounting judgements

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Impairment of non-financial assets other than goodwill

The company assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Management does not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial period.

(ii) Significant accounting estimates and assumptions

Impairment of goodwill

The company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill is allocated.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The company applied, for the first time, certain standards that have come into effect since the previous financial statements. The effect of these changes and amendments are described below:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This amendment does not have a material impact on the company's financial statements for the year ended 30 June 2015.

The amendment is also applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

The company is not a joint arrangement, and thus this amendment is not relevant.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

These amendments do not have a material impact on the company's financial statements for the year ended 30 June 2015.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The company did not record any revaluation adjustments during the year ended 30 June 2015.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). This amendment does not have a material impact on the company's financial statements for the year ended 30 June 2015.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

Accounting standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the year ended 30 June 2015 for the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under

IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants,

IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Revenue recognition

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. All such revenue is reported net of discounts and value added and other sales taxes.

Revenue relating to services in progress but not yet completed at the year end is recognised to the extent that costs incurred are recoverable from the customer.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as the cost accrues.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill arising from acquisitions is included in intangible assets, tested annually for impairment and carried at cost less accumulated impairment losses.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following bases:

Short leasehold property	Over the life of the lease
Plant and equipment	20% - 33.33%
Motor vehicles	25%
Fixtures and fittings	20% - 25%

The carrying values of plant and equipment, leasehold improvements and equipment under finance lease are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

For assets that do not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount.

The asset or cash-generating unit is then written down to its recoverable amount. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the year the asset is derecognised.

Deferred tax

Deferred tax is provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than as a business combination) or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interest in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is determined using the tax rates that are expected to apply in the year when the asset is realised or the liability is settled.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxed levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade and other receivables are recognised by the company and carried at the original invoice amount less an allowance for any uncollectible or impaired amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are identified as being bad.

Other receivables are recognised at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Provisions

Provisions are recognised when the company has a present obligation that arises as a consequence of a past event, it is probable that an outflow of resources will be required to settle that obligation and the obligation can be reliably estimated. The provisions are measured as the estimated expenditure that will be required to settle such obligations as at the balance sheet date. Discounting to present value is employed in the estimation process when the effect of the time value of money is material.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

2. ACCOUNTING POLICIES (continued)

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Operating lease commitments

Operating leases payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance leases

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges, if applicable, and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charges directly against income.

Finance leased assets are recognised on a straight-line basis over the estimated useful life of the asset.

Foreign currency translation

All foreign currency translations during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Where foreign currency monetary items exist at reporting date, they are translated at the exchange rate existing at reporting date.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within twelve months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

	2015 £	2014 £
Loss on disposal of property, plant and equipment	-	2,931
Depreciation of property, plant and equipment	126,390	156,395
Net foreign currency differences	(729)	18,678
Operating leases:		
Operating lease rentals	475,266	471,515
Auditor's remuneration - audit services	14,353	15,473
	<u>14,353</u>	<u>15,473</u>

	2015 £	2014 £
Included in cost of sales:		
Changes in inventories	(20,327)	(50,121)
Employee benefits expense	1,868,832	1,800,509
	<u>1,848,505</u>	<u>1,750,388</u>
Included in administrative expenses:		
Employee benefits expense	1,527,173	810,604
Depreciation and amortisation	126,390	156,395
Net foreign currency exchange	(729)	18,678
	<u>1,652,834</u>	<u>991,677</u>

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

4. EMPLOYEE EXPENSES

	2015	2014
	£	£
Wages and salaries	2,891,457	2,233,464
Post employment expense for defined contribution plans	170,813	131,035
Social security costs	333,735	252,614
	<u>3,396,005</u>	<u>2,617,113</u>

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

	2015	2014
	No.	No.
Administration	8	7
Sales and marketing	15	8
Production	37	36
	<u>60</u>	<u>51</u>

5. KEY MANAGEMENT PERSONNEL REMUNERATION

	2015	2014
	£	£
Remuneration	<u>339,862</u>	<u>119,500</u>
Contributions to money purchase pension schemes	<u>10,755</u>	<u>5,950</u>

During the year retirement benefits were accruing to 2 key management personnel (2014: 1) in respect of money purchase pension schemes.

The highest paid key management personnel received remuneration of £208,500 (2014: £nil).

The value of the contributions to a money purchase pension scheme in respect of the highest paid key management personnel amounted to £4,805 (2014: £nil).

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

6. INCOME TAX

Components of income tax (income)/expense

	2015 £	2014 £
Current income tax (income)/expense		
Current income tax income	(11,253)	86,629
Under provision for prior year	-	-
Current income tax income	(11,253)	86,629
Deferred income tax expense		
Relating to origination and reversal of temporary differences	-	15,488
Income tax expense reported in income statement	(11,253)	102,117

Reconciliation of current income tax charge to accounting profit

	2015 % age	£	2014 % age	£
Accounting (loss)/profit at applicable rate	20.75	(17,707)	22.50	95,016
Tax effect of brought forward losses	20.75	-	22.50	-
Tax effect of differences between tax treatment and accounting standards	20.75	6,454	22.50	(8,387)
Tax expense using effective rate		(11,253)		86,629

7. PROPERTY, PLANT AND EQUIPMENT

At 30 June 2015

	Short leasehold property £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2014	37,020	1,397,620	195,030	1,629,670
Additions	-	136,728	5,852	142,580
Disposals	-	-	-	-
At 30 June 2015	37,020	1,534,348	200,882	1,772,250
Depreciation				
At 1 July 2014	(36,997)	(1,151,512)	(172,736)	(1,361,245)
Disposals	-	-	-	-
Charge for year	-	(115,879)	(10,511)	(126,390)
At 30 June 2015	(36,997)	(1,267,391)	(183,247)	(1,487,635)
Net book value				
At 1 July 2014	23	246,108	22,294	268,425
At 30 June 2015	23	266,957	17,635	284,615

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

7. PROPERTY, PLANT AND EQUIPMENT (continued)

At 30 June 2014

	Short leasehold property £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2013	37,020	1,241,095	191,787	1,469,902
Additions	-	162,020	3,243	165,263
Disposals	-	(5,495)	-	(5,495)
At 30 June 2014	<u>37,020</u>	<u>1,397,620</u>	<u>195,030</u>	<u>1,629,670</u>
Depreciation				
At 1 July 2013	(36,997)	(1,007,022)	(163,395)	(1,207,414)
Disposals	-	2,564	-	2,564
Charge for year	-	(147,054)	(9,341)	(156,395)
At 30 June 2014	<u>(36,997)</u>	<u>(1,151,512)</u>	<u>(172,736)</u>	<u>(1,361,245)</u>
Net book value				
At 1 July 2013	<u>23</u>	<u>234,073</u>	<u>28,392</u>	<u>262,488</u>
At 30 June 2014	<u>23</u>	<u>246,108</u>	<u>22,294</u>	<u>268,425</u>

8. GOODWILL

During the year ended 30 June 2012, the company acquired the trade and assets of Mission Possible (Create) Limited. Goodwill of £600,000 arose on the transaction, and, in the opinion of the directors, this was not impaired at 30 June 2015.

Impairment testing of goodwill

Goodwill is allocated to the company's cash-generating units (CGUs) according to operating segment.

During the financial period, the company assessed the recoverable amount of goodwill. The recoverable amount of each cash-generating unit is determined by value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using steady estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The growth rate for the UK in 2015 is 3% (2014: 0%) and the discount rate in 2015 is 9.5% (2014: 12.2%).

In completing value-in-use calculations management determined budgeted gross margins based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. Management believes the projected growth rate to be prudent and justified based on the company's past and expected performance. The discount rates used reflect specific risks relating to the relevant segments.

Impact of possible changes in key assumptions

A reasonable change in key assumptions would not cause the CGU's carrying amounts to exceed their recoverable amounts.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

9. DEFERRED TAX

	<i>Statement of financial position</i>		<i>Income statement</i>	
	2015	2014	2015	2014
	£	£	£	£
Deferred tax assets				
Relating to timing difference	40	40	-	15,488
Deferred Tax charge			-	15,488
Net Deferred Tax	40	40		

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

This note presents information about the company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk.

The Board of directors has overall responsibility for the establishment, development and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the company, to set out appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and cash and cash equivalents held with financial institutions.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the company's customer base, including default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Geographically there is no concentration of credit risk.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The company has been transacting with the majority of its customers for a number of years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties. The company does not require collateral in respect of trade and other receivables.

The company has established an allowance for impairment that represents an estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Credit risk in relation to cash and cash equivalents is minimised by investing only with financial institutions that maintain a high credit rating.

Exposure to credit risk

The carrying amount of the company's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2015 £	2014 £
Cash and cash equivalents	15	631,795	690,007
Trade receivables	14	1,647,277	1,445,087
Receivables from related parties	14	130,178	
Other receivables	14	89,848	26,304
		<u>2,499,096</u>	<u>2,161,398</u>

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

As the company's exposure to market risk is low, no derivative or financial liabilities were entered into during the year ended 30 June 2015 or the year ended 30 June 2014 with the purpose of managing market risks. The Board will continue monitoring the company's exposure to market risk and in the event that derivatives and/or financial liabilities are entered into, the Board will consider the costs and benefits of seeking to apply hedge accounting in order to manage volatility in profit and loss.

Currency risk

The company does not have material transactions between businesses in the UK and overseas, with the exception of inter group transactions, which would give rise to receivables and payables in foreign currency. The parent company considers itself a long-term holder of the assets of Wellcom London Ltd, and as such does not consider the inter group balances to represent short-term currency risk exposure.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the company. The company held no borrowings as at 30 June 2015 and 30 June 2014.

As the company's exposure to currency risk on commercial trading is not significant it has not entered into any hedge transactions or taken alternative measures to minimise fluctuations in the respective currencies.

Fair values

Fair values versus carrying amounts

Carrying amounts of assets and liabilities approximate fair value. No financial assets and financial liabilities are readily traded on organised markets in standardised form nor are any of them recorded at fair value, therefore no fair value hierarchy disclosure is required.

Capital management

The company and the board policy is to maintain a strong capital base so as to maintain creditor and market confidence. Capital is defined as total business equity. The company has given responsibility of capital management to the board who have formulated capital management tools to service this requirement. Management of the capital structure is achieved by monitoring budgets and forecasts and actual cash flows.

	2015	2014
	£	£
Issued share capital	1,700	1,700
Reserves	300	300
Retained profit	2,082,415	2,156,498
Total Equity	<u>2,084,415</u>	<u>2,158,498</u>

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

11. FINANCIAL INSTRUMENTS

	<i>Carrying amount</i>		<i>Fair value</i>	
	2015	2014	2015	2014
	£	£	£	£
Financial assets				
Cash and cash equivalents	631,795	690,007	631,795	690,007
Trade and other receivables	1,867,303	1,471,391	1,867,303	1,471,391
Financial liabilities				
Trade and other payables	(1,918,266)	(1,337,079)	(1,918,266)	(1,337,079)

Cash (and cash equivalents) and trade and other receivables (non-interest bearing) are not affected by fluctuations in interest or foreign exchange rates are therefore not considered to be sensitive to such movements.

Trade and other payables are not interest bearing borrowing and are therefore not sensitive to movements in interest rates.

12. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The immediate and ultimate parent undertaking is Wellcom Group Limited, a company incorporated in Australia. Copies of the consolidated financial statements can be obtained from their website (www.wellcom.com.au).

Payable to and from related parties

	2015	2014
	£	£
Amounts due to parent undertaking (Current)	545,158	4,694
Amounts due to parent undertaking (Non Current)	-	-
	545,158	4,694
Amounts due from fellow group undertakings (Current)	(130,178)	-
Amounts due from fellow group undertakings (Non Current)	-	-
	(130,178)	-

During the year Wellcom London Limited was recharged travel, internet and other costs directly attributable to the company from the parent undertaking of £42,180 (2014: £49,247). Wellcom London Limited was charged a management fee from the parent undertaking of £144,000 (2014: £144,000).

Wellcom London Limited received payments from the parent undertaking, excluding dividends, of £354,284 (2014: WLL made payments to the parent undertaking, excluding dividends, of £193,857). The Directors consider that all transactions were arms length. As at the year end the amount due to the parent undertaking was £545,158 (2014: £4,694).

During the year Wellcom London Limited was owed travel, internet and other costs directly attributable to Wellcom Group Inc, a subsidiary of Wellcom Group Limited, of £44,306 (2014: £nil). Wellcom London Limited charged Wellcom Group Inc a management fee of £73,000 (2014: £nil). Wellcom London Limited was owed charges from The Lab LLC, a subsidiary of Wellcom Group Limited, of £12,871 (2014: £nil). The Directors consider that all transactions were arms length. As at the year end the amount due from Wellcom Group Inc was £130,178 (2014: £nil).

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

13. INVENTORIES

	2015	2014
	£	£
Production supplies	22,057	24,042
Work in progress	168,259	145,947
Total inventories (at cost)	<u>190,316</u>	<u>169,989</u>

14. TRADE AND OTHER RECEIVABLES

	2015	2014
	£	£
Trade receivables	1,647,277	1,445,087
Receivables from related parties	130,178	
Other receivables	89,848	26,304
	<u>1,867,303</u>	<u>1,471,391</u>

Amounts receivable from trade customers are non-interest bearing and are generally on 30-60 day terms.

Movements in the provision for impairment of trade and other receivables were as follows:

	2015	2014
	£	£
At 1 July 2014	32,435	31,227
Provision for doubtful debts	2,787	1,208
At 30 June 2015	<u>35,222</u>	<u>32,435</u>

15. CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Cash on hand	999	550
Cash at bank	630,796	689,457
	<u>631,795</u>	<u>690,007</u>

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

16. SHARE CAPITAL

Authorised share capital

	No.	2015 £	2014 £
Ordinary share capital of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

Issued share capital

	No.	2015 £	2014 £
Issued and fully paid			
Ordinary share capital of £1 each	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>

All issued share capital is classified as equity.

17. RESERVES

Capital redemption reserve

At 1 July 2015	<u>£</u> <u>300</u>
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Capital redemption reserve

At 1 July 2014	<u>£</u> <u>300</u>
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18. TRADE AND OTHER PAYABLES

	2015 £	2014 £
Non current		
Payable to related parties	<u>-</u>	<u>-</u>
Current		
Trade payables	745,177	832,981
Accruals	310,720	238,564
Other payables	317,211	260,840
Payable to related parties	545,158	4,694
	<u>1,918,266</u>	<u>1,337,079</u>

The average credit period on purchases of goods and services is thirty (30) days. No interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

WELLCOM LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

19. PROVISIONS

	<i>Employee benefits £</i>
At 1 July 2014	26,511
Increase / (Decrease) to existing provision	14,366
At 30 June 2015	<u>40,877</u>
Current	<u>40,877</u>

Employee benefits provision

The annual leave provision of £40,877 is calculated on the basis of the employees' remuneration including benefits and pension that have accrued in regards to holidays accrued but not taken, and therefore unpaid, as at 30 June 2015.

20. OPERATING LEASE COMMITMENTS

As lessee

	2015	2014
	£	£
Less than one year	524,712	524,712
Later than one year but less than five years	830,794	1,355,506
Later than five years	-	-
	<u>1,355,506</u>	<u>1,880,218</u>