

**SPARK E-COMMERCE GROUP LIMITED
(FORMERLY KNOWN AS CROSSCO (1283) LIMITED)**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2012

Company Registration Number 08030236

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COMPANIES HOUSE

RSM Tenon Limited

Accountants and Business Advisers
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

SPARK E-COMMERCE GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2012

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SPARK E-COMMERCE GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
PERIOD ENDED 30 JUNE 2012

The board of directors	B Stiefel - Chairman P B Slee N Lambert
Company secretary	P B Slee
Business address	Follingsby Avenue Follingsby Park Gateshead NE10 8HQ
Registered office	Follingsby Avenue Follingsby Park Gateshead NE10 8HQ
Auditor	RSM Tenon Audit Limited Tenon House Ferryboat Lane Sunderland SR5 3JN
Accountants	RSM Tenon Limited Accountants and Business Advisers Tenon House Ferryboat Lane Sunderland SR5 3JN
Bankers	Investec Bank (Channel Island) Limited PO Box 188 La Vieille Cour St Peter Port Guernsey GY1 3LP Barclays Bank Plc PO Box 379 71 Grey Street Newcastle upon Tyne NE99 1JA

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SPARK E-COMMERCE GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS *(continued)*
PERIOD ENDED 30 JUNE 2012

Solicitors

Dickinson Dees
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

SPARK E-COMMERCE GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 30 JUNE 2012

The directors present their report and the consolidated financial statements of the group for the period ended 30 June 2012

Incorporation

The company incorporated on 13 April 2012 as the ultimate holding company for Spark Response Limited and Spark Etail Limited

A share for share exchange took place on 30 June 2012 in which the original shareholders of Spark Response Limited were issued with shares of Spark E-commerce Group Limited in substitution for their original shareholding in Spark Response Limited. The shares in Spark E-commerce Group Limited were issued in the same proportion as the shareholders' original holdings in Spark Response Limited and, as a result, there has been no change in the relative control of each shareholder in the group.

In accordance with Financial Reporting Standard 6 *Acquisitions and Mergers* ("FRS 6"), the consolidated financial statements of the group adopt merger accounting principles. The financial statements have been prepared for the period from the date of incorporation to 30 June 2012 however the Group Profit and Loss Account and Group Cash Flow Statement incorporate the results of the subsidiary entities for the 12 month period from 1 July 2011 to 31 June 2012. A short period of account has therefore only been reflected in respect of the parent company alone.

Principal activities and business review

The principal activity of the company during the period was that of a holding company. The company was incorporated in order to implement the appropriate structure for future business growth and to establish a financial reporting mechanism for all current and future group companies.

The principal activity of the subsidiary company, Spark Response Limited, is that of a provider of outsourced home shopping and ancillary services, predominantly serving the e-commerce retail sector.

The principal activity of subsidiary company, Spark Etail Limited, is the trading of fair trade, organic and ethically sourced products to customers via e-commerce and mail order catalogues under five brands – EthicalSuperstore.com, Natural Collection, Spirit of Nature, Frank & Faith and Wild Gardens.

Spark Response Limited

2011/12 represented a positive year for the company with profitability reverting to the 2008 – 2010 prior trend and achievement of the strongest result in the history of the business at £614K pre-tax profit. This represents further consolidation of the progress the company has made since 2007, notably during a period of relatively flat revenues and an extremely uncertain UK economic climate, and provides a solid base for accelerated growth and long term sustainable profitability.

In specific terms the following factors have been instrumental in achieving a significant gross profit improvement to £2.52m -

- 1 Strong space utilisation with the business operating close to capacity for most of the period and the resulting expansion via a further 40,000 square foot facility during the final quarter of the year.
- 2 Improved returns on direct activity following the Spark-initiated termination of a contract which, whilst profitable during earlier years, was loss-making during the prior reported period.

SPARK E-COMMERCE GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 30 JUNE 2012

The business continues to demonstrate industry-leading Partner retention and won a further two substantial contracts during the period, both of which are forecast to deliver significant volume in the coming months

Effective management of overheads is a key focus within the company's ongoing success together with pro-active cash management. Partner support in honouring payment terms remains strong with a resulting negligible bad debt charge associated with the prior year Partner administration. These factors, together with firm but fair supplier management, are resulting in consistently positive cashflow and a significant improvement in the company's ongoing liquidity

Spark Etail Limited

The key priorities for the business in 2011/12 were to build stronger relationships with our supplier base, improve customer service levels, reduce our cost base and invest in marketing

We have enjoyed tremendous support from our key suppliers who following the demise of the old company (EthicalSuperstore Com Limited) have proved to be very proactive in assisting the new management team to rebuild the business. Internal focus on improving systems, productivity and customer service has resulted in cost efficiencies and an average customer rating of 4.7 out of 5 using independent ratings company Ekomi. An investment of £350k was spent in marketing initiatives including the production of an Autumn/Winter and Spring/Summer catalogue

As a result of these actions the operating loss incurred by the old company prior to its winding up was reduced from £1.6 million to £196,000

Consumer activity was fairly flat outside the peak Christmas trading season across all categories and web brands reflecting the rest of the UK economy

Subscription to our mailing lists and customer retention remain high and provides our brands with a solid sales platform for the next financial year 2012/2013

Principal Risks and Uncertainties

Due to the level of borrowings, the group is exposed to movements in interest rates. Although the rates ruling on the borrowings are low, they are variable and therefore the business is exposed to increases in the LIBOR rate from time to time. The Directors are of the view however, that the prevailing low interest rate conditions are likely to continue for the next few years during which time the indebtedness will somewhat be lower

The group has £4.45m (2011: £4.6m) of loans from shareholders who are related investors. Although these loans have been provided to the group as quasi equity, accounting standards require these amounts to be shown in debt along with third party debt as there is a requirement to renew these loans on a rolling basis in accordance with notes 19 and 20

Spark Response Limited

The sector in which the company operates is highly competitive and those companies who do outsource their activities do so via a competitive tendering process and naturally seek year on year cost reductions via improved efficiency levels. This can result in an elongated sales cycle with new prospects often taking up to a year to become Partners

The current economic climate brings with it a level of uncertainty with potential major impact for UK retailers and a knock-on impact for their service providers. That said, there's clear evidence that the direct element of a retailer's offering still provides growth opportunity during periods of flat/reduced trading and with UK online expenditure still growing year on year, the company is well placed to develop new campaigns within both its fulfilment and contact centre operations

SPARK E-COMMERCE GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 30 JUNE 2012

Continued gradual growth in new Partners and their associated revenues is progressively reducing the reliance on any single partnership. It is envisaged that this will accelerate over the coming periods with a resulting strong mix of revenues across various campaigns and operational functions.

Spark Etail Limited

With the continuing economic uncertainty in the UK retail industry, autumn/winter 2012 was a challenging time for both high street and online retailers. This external competition meant our products had to sit within the right price range to remain competitive. To do this, during the peak autumn/winter season the company changed marketing strategy and focussed almost exclusively on marketing via online channels. This impacted on three main areas of revenue, product margin and marketing costs.

The company now has the benefit of analysis of results from two peak seasons with very different marketing strategies. These results will be used to influence the strategy for autumn/winter 2013 to maximise growth and profit margins.

Future Prospects

The Directors view the future of the group with optimism and forecast continued progress in the financial performance of the business and a continuation of the trend established during 2008 -10 (see table below). Indeed it is forecast that revenues will increase to nearer £12m in the current period with further growth confidently predicted beyond that point. The shift of retail revenue from offline to online will continue in the coming years and it is expected that by 2020 up to 33% of total retail sales will be made via the internet. Spark's focus will be to continue to provide scalable and flexible service solutions through which we can guarantee the highest delivery performance for our Partners on a daily basis, underpinned by strong account management and an overriding 'win-win' relationship philosophy.

PERIOD	06/07	07/08	08/09	09/10	10/11	11/12
TURNOVER	£7.98m	£10.43m	£10.4m	£10.56m	£10.66m	£12.8m
OPERATING PROFIT	(£2.64m)	£351k	£615k	£627k	£95k	£630k
PRE-TAX PROFIT/LOSS	(£2.84m)	£69k	£404k	£433k	(£115k)	£418k
CAPEX	£544k	£148k	£338k	£74k	£174k	£195k
CASHFLOW*	(£1.74m)	£436k	£693k	£1.15m	(£70k)	£907k

Spark Response Limited – 06/07 to 09/10

Group figures 10/11 to 11/12

*Net cashflow from operating activities

In the light of overall performance and future prospects of the business the Directors support the retention of the deferred tax asset, and fully expect to begin to realise this asset during the forthcoming year and over future accounting periods.

The Shareholders continue to support the group enabling the Directors to take a long term approach to planning and investment. There remains a strong focus on building long term relationships with Partners such that both parties can concentrate on the development of strategies to optimise the success for all stakeholders. In addition the Directors view their investment in Spark Etail Ltd positively. Integration within the Spark business has ensured strong and consistent service to the end consumer of the Etail associated brands with the additional benefit of facilitating complete focus on the marketing and product mix by the Senior Etail Team. A number of strategic initiatives are underway with steadily improving annual results ensuing and a developing trajectory towards profitability.

SPARK E-COMMERCE GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 30 JUNE 2012

The Directors' rationale for the 2011 launch of an etail division is that together with supporting the fundamental values of the ethical marketplace, this sector presents a continually expanding opportunity with significant UK and global consumer consciousness of ethical and sustainable products, together with the growing worldwide trend in consumer purchasing of these products. This move also brings complimentary skills into the organisation which in turn delivers new revenue streams whilst not conflicting with any existing Partners' core markets.

In addition, the Directors continue to pursue the legal action which commenced during 2011 (directly related to the strategic withdrawal from the outbound utilities market) with absolute commitment and confidence of a positive result within the forthcoming period.

The Directors would like to thank all Staff, Partners and Suppliers for their continued support and collaboration, which have been key to the continued transition and success of the group.

The group benefits from industry-leading levels of staff retention performance which in turn leads to strong and consistent levels of service and which has also been recognised in the form of a Regional Large Business 'Culture for Success' award – recognition of which the staff and Directors are justifiably proud. The Directors would like to once again thank all staff for their loyalty and contribution during the period. It has been a stated aim of the Directors and Shareholders to develop a form of employee share ownership within the company for a number of years and plans continue to be developed around achieving this at the earliest point.

The group continues to be successful in retaining all of its quality and compliance accreditations – ISO 9001 Quality Management unbroken since 2000, one of the first UK ecommerce contact centre operations to achieve PCI-DSS compliance (now in year four), Investors In People since 2000 and successfully through the third year of ISO 14001 Environmental Management. The development of a focused and effective EMS (Environmental Management System) has been designed to address the delicate balance between maintaining profitability and reducing environmental impact. There is consistent commitment across the entire organisation to further reduce the company's carbon footprint with specific focus on increased waste re-cycling and cross-site energy efficient initiatives.

The Directors and Shareholders view the group as an e-commerce fulfilment provider of scale which has developed a credible service offering and in turn a positive reputation in its marketplace. Complemented by the launch of Spark Etail and the additional services and thereby revenue streams it can deliver, there remains the opportunity, with a strong focus on efficient operations and effective matching of overall property commitments to Partner campaigns, to achieve both sustainable profitability and significant further growth, and therefore look forward to future trading periods with optimism and the likelihood of positive returns for all key stakeholders.

Results and dividends

The profit for the year, after taxation, amounted to £201,889. The directors have not recommended a dividend.

Financial risk management objectives and policies

The group is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The group manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the group's trading activities.

SPARK E-COMMERCE GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 30 JUNE 2012

Directors

The directors who served the company during the period were as follows

B Stiefel (appointed 29 June 2012)
P B Slee (appointed 29 June 2012)
N Lambert (appointed 29 June 2012)
S T Nicolson (appointed 13 April 2012, resigned 29 June 2012)

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those consolidated financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

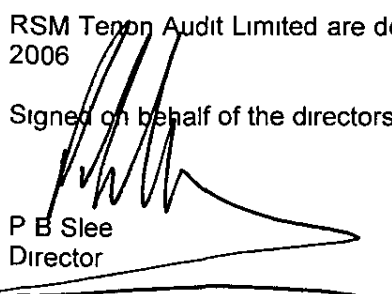
In so far as the directors are, individually, aware

- there is no relevant audit information of which the group'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

Auditor

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



P B Slee
Director

Date 28 February 2013

SPARK E-COMMERCE GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPARK E-COMMERCE GROUP LIMITED
PERIOD ENDED 30 JUNE 2012

We have audited the group and parent company consolidated financial statements ("the consolidated financial statements") of Spark E-Commerce Group Limited for the period ended 30 June 2012 on pages 10 to 30. 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).

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the consolidated 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 consolidated 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 consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on consolidated financial statements

In our opinion, the consolidated financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2012 and of the group's loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

SPARK E-COMMERCE GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPARK E-COMMERCE GROUP LIMITED *(continued)*

PERIOD ENDED 30 JUNE 2012

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company consolidated 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

Kevin Rooney, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

Date 28 February 2013

SPARK E-COMMERCE GROUP LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 30 JUNE 2012

	Note	2012 £	£	2011 £	£
Turnover					
Continuing operations		12,840,293		10,058,128	
Acquisitions		<u>-</u>		<u>599,010</u>	
		12,840,293		10,657,138	
Group turnover			12,840,293		10,657,138
Cost of sales	3		(9,802,862)		(8,615,267)
Gross profit			<u>3,037,431</u>		<u>2,041,871</u>
Net operating expenses	3		<u>(2,407,160)</u>		<u>(1,946,597)</u>
Operating profit:	6				
Continuing operations		630,271		212,977	
Acquisitions		<u>-</u>		<u>(117,703)</u>	
Group operating profit			630,271		95,274
Interest payable and similar charges	9		(212,087)		(210,090)
Profit/(loss) on ordinary activities before taxation			<u>418,184</u>		<u>(114,816)</u>
Tax on profit/(loss) on ordinary activities	10		(222,895)		(68,806)
Profit/(loss) on ordinary activities after taxation			<u>195,289</u>		<u>(183,622)</u>
Minority interests			6,600		4,355
Profit/(loss) attributable to members of the parent company	11		<u>201,889</u>		<u>(179,267)</u>
Profit/(loss) for the financial period			<u>201,889</u>		<u>(179,267)</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the period as set out above

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 14 to 30 form part of these consolidated financial statements

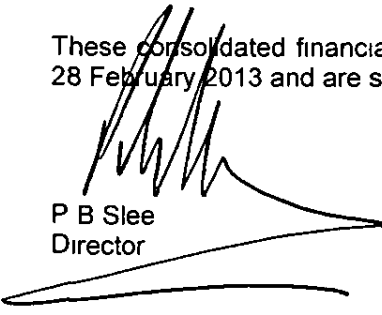
SPARK E-COMMERCE GROUP LIMITED

GROUP BALANCE SHEET

30 JUNE 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	12	231,748	187,076
Tangible assets	13	357,077	341,186
		<u>588,825</u>	<u>528,262</u>
Current assets			
Stocks	15	226,564	202,005
Debtors	16	2,932,406	2,988,381
Cash at bank and in hand		766,511	489,490
		<u>3,925,481</u>	<u>3,679,876</u>
		<u>4,514,306</u>	<u>4,208,138</u>
Capital and reserves			
Called-up share capital	25	3,000,000	3,000,000
Other reserves	26	1,564,969	1,564,969
Profit and loss account	26	(6,348,893)	(6,550,782)
Shareholders' funds	27	<u>(1,783,924)</u>	<u>(1,985,813)</u>
Minority interests		<u>(8,455)</u>	<u>645</u>
		<u>(1,792,379)</u>	<u>(1,985,168)</u>
Creditors: Amounts falling due within one year	18	<u>(1,830,692)</u>	<u>(1,593,306)</u>
Creditors: Amounts falling due after more than one year	19	<u>(4,475,993)</u>	<u>(4,600,000)</u>
		<u>4,514,306</u>	<u>4,208,138</u>

These consolidated financial statements were approved by the directors and authorised for issue on 28 February 2013 and are signed on their behalf by


P B Slee
Director

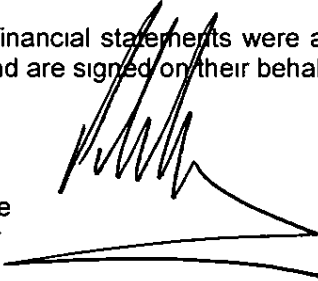
The notes on pages 15 to 30 form part of these consolidated financial statements

SPARK E-COMMERCE GROUP LIMITED*Registered Number 08030236***BALANCE SHEET****30 JUNE 2012**

	Note	2012 £
Fixed assets		
Investments	14	3,000,000
		<u>3,000,000</u>
Capital and reserves		
Called-up share capital	25	3,000,000
Shareholders' funds		<u>3,000,000</u>

These financial statements were approved by the directors and authorised for issue on 28 February 2013 and are signed on their behalf by

P B Slee
Director



The notes on pages 15 to 30 form part of these consolidated financial statements

SPARK E-COMMERCE GROUP LIMITED

GROUP CASH FLOW

PERIOD ENDED 30 JUNE 2012

	Note	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	28	906,886	(70,319)
Returns on investments and Servicing of finance			
Interest paid		(263,437)	(213,830)
Interest element of hire purchase		(1,006)	—
Net cash outflow from returns on investments and servicing of finance		(264,443)	(213,830)
Taxation		—	—
Capital expenditure			
Payments to acquire tangible fixed assets		(153,175)	(172,480)
Receipts from sale of fixed assets		—	2,617
Net cash outflow from capital expenditure		(153,175)	(169,863)
Acquisitions and disposals			
Cash paid to acquire trade/business		(55,976)	(191,816)
Net cash outflow from acquisitions and disposals		(55,976)	(191,816)
Cash (outflow)/inflow before financing		433,292	(645,828)
Financing			
Increase in bank loans		250,000	400,000
Repayment of bank loans		(400,000)	—
Capital element of hire purchase		(6,271)	—
Cash paid for minority interest		—	5,000
Net cash inflow/(outflow) from financing		(156,271)	405,000
(Decrease)/increase in cash	28	277,021	(240,828)

The notes on pages 15 to 30 form part of these consolidated financial statements

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2012

1. Accounting policies

Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards

Going concern

At the period end the group had net liabilities of £1 79m (2011 £1 99m net liabilities), which indicates that the company may not be a going concern. However, based on the long term business plans, the directors are confident that the group will continue to trade profitably in future periods and generate sufficient cash flows to meet its obligations as they fall due for payment.

The group is dependent upon continued finance being made available by its bankers. The group's bankers have indicated that they will continue to be supportive of the business.

The directors therefore consider it appropriate that the financial statements are prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

Acquisitions in the period where there have been no changes in ultimate ownership have been accounted for under the merger accounting method and therefore no goodwill is recognised on consolidation. The results of companies acquired or disposed of are included in the group profit and loss account for the full financial year (from 1 July 2011 to 31 June 2012). Although the merger may have taken place part of the way through the financial year, the results of the combining entities for the full financial year are reflected in the group accounts for the period and corresponding amounts are presented on the same basis.

Acquisitions in the period where there has been a change in ultimate ownership have been accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the date of acquisition. The results of operations acquired or disposed of are included in the consolidated profit and loss account after or up to the date that control passes respectively.

As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents the net amount invoiced to third parties in respect of services rendered during the period, at selling price exclusive of Value Added Tax and trade discounts. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2012

1. Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition (being the cash paid and the fair value of other consideration given) over the fair value of the separable net assets acquired. The fair value of the acquired assets and liabilities are assessed in the period of acquisition and the subsequent period, which may impact on the goodwill recognised. Goodwill is capitalised and written off on a straight line basis over its useful economic life of 20 years.

Provision is made for any impairment in its value. The useful economic life is the expected period over which the group to derive an economic benefit, and is reviewed on an annual basis.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill - 20 years straight line

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold Improvements	-	Over the remaining term of the lease
Plant & Machinery	-	5-10 years straight line or over the remaining lease term
Computer Equipment	-	1-5 years straight line
Motor Vehicles	-	3 years straight line
Office Equipment	-	4 years straight line
Website Development costs	-	20 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the last purchase price invoiced by suppliers and includes the normal cost of transporting stock to its present location and condition. Cost also includes any commission or rework costs required to bring finished goods into a saleable condition. Net realisable value is the anticipated sales proceeds less any costs of disposal.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDED 30 JUNE 2012

1. Accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

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

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

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

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

SPARK E-COMMERCE GROUP LIMITED
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Government grants

Grants are recognised within the financial statements in the period where there is reasonable assurance that the grant conditions will be met and that all conditions attaching to the grant will be complied with. When the grant relates to an expense, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it intends to compensate.

Deferred government grants in respect of capital expenditure are treated as deferred income and credited to the profit and loss account over the estimated useful economic life of the assets to which they relate.

2 Turnover

Overseas turnover amounted to 0.5% (2011 – 0.1%) of the total turnover in the period. A total of £66,446 related to turnover generated in Europe. The remaining element of turnover was generated in the United Kingdom.

3. Analysis of cost of sales and net operating expenses

	Continuing operations £	Acquired operations £	Total £
Period ended 30 June 2012			
Cost of sales	9,802,862	–	9,802,862
Administrative expenses	2,424,755	–	2,424,755
Other operating income	(17,595)	–	(17,595)
Net operating expenses	2,407,160	–	2,407,160
Year ended 30 June 2011			
Turnover	10,058,128	599,010	10,657,138
Cost of sales	8,127,573	487,694	8,615,267
Gross profit	1,930,555	111,316	2,041,871
Administrative expenses	1,737,502	249,903	1,987,405
Other operating income	(19,924)	(20,884)	(40,808)
Net operating expenses	1,717,578	229,019	1,946,597
Operating profit	212,977	(117,703)	95,274

In respect of the period ended 30 June 2012, Spark Etail Limited acquired the trade and assets of the entities referred to within note 12 of the financial statements. The results of the acquired operations have not been separately disclosed within the above table on the basis that the directors consider the acquisitions to be immaterial to the group.

On 30 June 2012, Spark E-commerce Group Limited acquired Spark Response Limited and Spark Etail Limited by way of a share for share exchange. No other consideration was paid. Given that the merger did not occur until 30 June 2012, the results for the period, as disclosed within the Group Profit and Loss account, are in respect of the pre-merger period. A separate table of post-merger results have not therefore been included on this basis.

SPARK E-COMMERCE GROUP LIMITED
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4. Minority Interest

The minority interest shown on the face of the consolidated profit and loss account represents the minority shareholder's proportion of the group's results for the period. The minority interest shown on the face of the consolidated balance sheet represents the minority shareholder's proportion of the group's results and investment in subsidiary undertakings.

5. Other operating income

	2012	2011
	£	£
Other operating income	17,595	40,808

6. Operating profit

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Amortisation of intangible assets	11,305	2,740
Depreciation of owned fixed assets	174,215	296,780
Depreciation of assets held under hire purchase agreements	4,926	—
Profit on disposal of fixed assets	—	(2,594)
Auditors remuneration	15,750	13,700
Operating lease costs		
-Land and buildings	771,121	783,938

7. Particulars of employees

The average number of staff employed by the group during the financial period amounted to

	2012	2011
	No	No
Direct staff	155	176
Office and management staff	34	43
	<u>189</u>	<u>219</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	3,218,706	3,428,914
Social security costs	274,149	292,482
Other pension costs	40,740	37,547
	<u>3,533,595</u>	<u>3,758,943</u>

Unpaid pension contributions of £6,022 (2011: £5,675) have been included as a creditor due within one year.

SPARK E-COMMERCE GROUP LIMITED
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8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	313,006	262,332
Value of company pension contributions to money purchase schemes	11,014	11,015
	<u>324,020</u>	<u>273,347</u>

Remuneration of highest paid director.

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	122,557	122,968
Value of company pension contributions to money purchase schemes	6,014	6,015
	<u>128,571</u>	<u>128,983</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2012	2011
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

During the period £4,458 (2011 £5,000) was paid to third parties in respect of directors' services

9. Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	211,081	210,090
Finance charges	1,006	—
	<u>212,087</u>	<u>210,090</u>

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. Taxation on ordinary activities

(a) Analysis of charge in the period

	2012		2011
	£	£	£
Corporation tax			
(Refund)/charge in respect of current period	(12,976)		-
(Over)/under provision in prior period	(3,974)		-
	<u>(16,950)</u>		<u>-</u>
Deferred tax			
Origination and reversal of timing differences	239,845		68,806
Total deferred tax movement (note 17)		239,845	68,806
Tax on (loss)/profit on ordinary activities		<u>222,895</u>	<u>68,806</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 25 50% (2011 – 27 50%)

	2012	2011
	£	£
Profit/(loss) on ordinary activities before taxation	418,184	(114,816)
Profit/(loss) on ordinary activities by rate of tax	106,637	(31,574)
Effects of		
Expenses not deductible for tax purposes	3,281	21,393
Capital allowances for period in excess of depreciation	(10,642)	(4,173)
Utilisation of tax losses	(113,535)	14,349
Adjustments to tax charge in respect of previous periods	(3,974)	-
Other short term timing differences	63	5
Sundry tax adjusting items	288	-
Other permanent differences	932	-
Total current tax (note 10(a))	<u>16,950</u>	<u>-</u>

11 Profit/loss attributable to the parent company

The parent company did not generate income or incur expenses in the period, therefore generated £nil profit/loss

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2011	189,816
Additions	55,977
At 30 June 2012	<u>245,793</u>
Amortisation	
At 1 July 2011	2,740
Charge for the period	11,305
At 30 June 2012	<u>14,045</u>
Net book value	
At 30 June 2012	<u>231,748</u>
At 30 June 2011	<u>187,076</u>

Acquisitions

On 11 November 2011 Spark Etail Limited acquired certain trade and assets of Spirit of Nature Retail Limited and Wild Gardens Limited. Total consideration of £78,000 was paid on acquisition.

On acquisition a fair value adjustment was made of £4,678 to goodwill as a result of pre-acquisition costs incurred by Spark Etail Limited.

On 5 January 2012 Spark Etail Limited acquired certain trade assets of Frank and Faith Limited. Total consideration of £15,500 was paid on acquisition.

There were no accounting policy alignment adjustments required to be made on acquisition.

The book and fair value of the assets acquired are as follows,

	Book Value £	Fair Value £
Spirit of Nature Retail Limited and Wild Gardens Limited		
Stock	33,000	33,000
Goodwill	49,679	49,679
	<u>82,679</u>	<u>82,679</u>
Frank and Faith		
Stock	9,202	9,202
Goodwill	6,298	6,298
	<u>15,500</u>	<u>15,500</u>

SPARK E-COMMERCE GROUP LIMITED

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13. Tangible fixed assets

Group	Leasehold Improve- ments £	Plant & Machinery £	Computer Equipment £	Motor Vehicles £	Office Equipment £	Total £
Cost						
At 1 Jul 2011	459,839	897,504	744,850	13,700	188,627	2,304,520
Additions	59,500	4,691	78,352	3,000	49,489	195,032
Disposals	—	—	—	(5,000)	—	(5,000)
At 30 Jun 2012	<u>519,339</u>	<u>902,195</u>	<u>823,202</u>	<u>11,700</u>	<u>238,116</u>	<u>2,494,552</u>
Depreciation						
At 1 Jul 2011	402,814	825,245	538,823	13,700	182,752	1,963,334
Charge for the period	19,064	29,790	121,806	166	8,315	179,141
On disposals	—	—	—	(5,000)	—	(5,000)
At 30 Jun 2012	<u>421,878</u>	<u>855,035</u>	<u>660,629</u>	<u>8,866</u>	<u>191,067</u>	<u>2,137,475</u>
Net book value						
At 30 Jun 2012	<u>97,461</u>	<u>47,160</u>	<u>162,573</u>	<u>2,834</u>	<u>47,049</u>	<u>357,077</u>
At 30 Jun 2011	<u>57,025</u>	<u>72,259</u>	<u>206,027</u>	<u>—</u>	<u>5,875</u>	<u>341,186</u>

Hire purchase agreements

Included within the net book value of £357,077 is £36,931 (2011 £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £4,926 (2011 £nil).

SPARK E-COMMERCE GROUP LIMITED
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14. Investments

Company	Group companies £
Cost	
Additions	3,000,000
At 30 June 2012	<u>3,000,000</u>

	Country of incorporation	Class of share held	Proportion of voting rights and shares held	Nature of business
Subsidiary Undertakings				
Held by the company				
Spark Response Limited	England	Ordinary shares	100%	Provider of outsourced home shopping and ancillary services
Spark Etail Limited	England	Ordinary shares	97.5%	Online retail of ethical and natural products

All of the above entities have been included within the consolidated financial statements using merger accounting principles

During the financial period, the group acquired an additional 2.5% interest in Spark Etail Limited giving a cumulative interest of 97.5% in the subsidiary as at 30 June 2012. In accordance with Financial Reporting Standard 2 *Accounting for Subsidiary Undertakings* ("FRS 2"), there was no material difference between the book values and fair values of Spark Etail Limited's net assets at the point of acquisition and therefore no additional goodwill was created upon acquisition of the group's additional interest in the subsidiary.

During the financial period, Spark Etail Limited acquired the trade and assets of Spirit of Nature Limited, Wild Gardens Limited and Frank and Faith Limited. The results of these acquisitions have been incorporated into the consolidated financial statements in accordance with acquisition accounting principles. Please see note 12 for further information.

15. Stocks

	Group 2012 £	2011 £	Company 2012 £
Finished goods	<u>226,564</u>	<u>202,005</u>	<u>–</u>

At the balance sheet date the group held consignment stock to the value of £28,340 (2011 £33,875). This relates to stock held on consignment agreements with a number of suppliers. All risks and rewards of ownership of the stock are held by the suppliers. The stock held on consignment bears no interest.

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16. Debtors

	Group		Company
	2012	2011	2012
	£	£	£
Trade debtors	985,117	796,731	–
Other debtors	6,696	62,231	–
Corporation tax	16,950	–	–
Deferred taxation (Note 17)	1,309,891	1,549,736	–
Prepayments and accrued income	613,752	579,683	–
	<u>2,932,406</u>	<u>2,988,381</u>	<u>–</u>

The debtors above include the following amounts falling due after more than one year

	Group		Company
	2012	2011	2012
	£	£	£
Other debtors	<u>1,164,232</u>	<u>1,458,331</u>	<u>–</u>

17. Deferred taxation

The movement in the deferred taxation asset during the period was

	Group		Company
	2012	2011	2012
	£	£	£
Asset brought forward	1,549,736	1,618,542	–
Decrease in asset	(239,845)	(68,806)	–
Asset carried forward	<u>1,309,891</u>	<u>1,549,736</u>	<u>–</u>

The reduction in the deferred tax asset from 2011 is attributable to the profit of the group and the reduction in corporation tax rates

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	58,338	–	74,049	–
Tax losses available	1,250,107	–	1,474,185	–
Other timing differences	1,446	–	1,502	–
	<u>1,309,891</u>	<u>–</u>	<u>1,549,736</u>	<u>–</u>

SPARK E-COMMERCE GROUP LIMITED
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18. Creditors: Amounts falling due within one year

	Group		Company
	2012	2011	2012
	£	£	£
Trade creditors	1,155,953	957,816	–
Other creditors including tax and social security			
PAYE and social security	52,951	68,200	–
VAT	226,111	200,882	–
Hire purchase agreements	9,593	–	–
Other creditors	50,209	64,804	–
Accruals and deferred income	335,875	301,604	–
	<u>1,830,692</u>	<u>1,593,306</u>	<u>–</u>

Net obligations under hire purchase of £9,593 (2011 £nil) are secured on the assets acquired

All HMRC related commitments, including VAT and PAYE, are current and up to date

19. Creditors: Amounts falling due after more than one year

	Group		Company
	2012	2011	2012
	£	£	£
Hire purchase agreements	25,993	–	–
Bank loans and overdrafts	4,450,000	4,600,000	–
	<u>4,475,993</u>	<u>4,600,000</u>	<u>–</u>

Bank loans of £4,050,000 (2011 £4,200,000) are secured by a shareholder of the company, KI Corporation Limited

Net obligations under hire purchase of £25,993 (2011 £nil) are secured on the assets acquired

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows

	Group 2012 £	2011 £	Company 2012 £
Amounts repayable			-
In more than two years but not more than five years	4,450,000	4,600,000	-

The bank loan creditor of £4,450,000 (2011 £4,200,000) includes four loans totalling £4,050,000 which are owed to Investec Bank (Channel Islands) Limited. The loans bear interest at the aggregate of the margin, 4.00% per annum, and the 3 month LIBOR rate of the bank from time to time subject to a minimum aggregate of 5.00% per annum. The loan is secured by KI Corporation, a shareholder of the company.

21. Commitments under hire purchase agreements

Future commitments under purchase agreements are as follows

	2012 £	2011 £
Amounts payable within one year	12,477	-
Amounts payable between two and five years	30,152	-
	42,629	-
Less interest and finance charges relating to future periods	(7,043)	-
	35,586	-
Hire purchase agreements are analysed as follows		
Current obligations	9,593	-
Non current obligations	25,993	-
	35,586	-

22. Financial risk management objectives and policies

The group holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

SPARK E-COMMERCE GROUP LIMITED
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22. Financial risk management objectives and policies *(continued)*

Interest rate risk

In relation to interest rate risk the directors aim to strike a balance between the operational needs of the business, floating rate interest risk and the expense of fixed interest rates

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments

Liquidity risk

The group seeks to specifically manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs as and when they fall due. Liquid resources are managed to ensure cash assets are invested safely and profitably

Currency risk

The group has no material exposure to currency risk

Hedging activities

Hedging activities are not used by the group

23. Commitments under operating leases

At 30 June 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 2 to 5 years	581,933	52,880	450,246	44,038
After more than 5 years	305,173	–	305,173	–
	<u>887,106</u>	<u>52,880</u>	<u>755,419</u>	<u>44,038</u>

SPARK E-COMMERCE GROUP LIMITED
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24 Related party transactions

During the previous year the group received an interest free loan of £400,000 from KI Corporation Limited, a shareholder of Spark Holdings Limited. In the current period amounts totalling £250,000 were repaid and then an additional amount of £250,000 was received. The amount owed to KI Corporation in respect of this loan at the period end was £400,000 (2011 £400,000).

Included in administration expenses is an amount of £4,458 (2011 £5,000) relating to management fees paid to Carlyle Corporate Services Limited, a company in which the Chairman of Spark E-Commerce Group Limited is able to exercise significant influence over as the sole director and employee. As at the period end an amount of £nil (2011 £nil) is owed to Carlyle Corporate Services Limited in respect of these services.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8 *Related Party Transactions* ("FRS 8").

25. Share capital

Authorised share capital:

	2012 £	2011 £
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

Allotted, called up and fully paid:

	2012 No	£	2011 No	£
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

On 30 June 2012, the shareholders of Spark Response Limited exchanged their shares for shares in Spark E-commerce Group Limited.

26. Reserves

Group

	Merger Reserve £	Share premium account £	Profit and loss account £
Balance brought forward	—	1,564,969	(6,550,782)
Profit for the period	—	—	201,889
Transfers	1,564,969	(1,564,969)	—
Balance carried forward	<u>1,564,969</u>	<u>—</u>	<u>(6,348,893)</u>

Company

	Profit and loss account £
Balance brought forward	—
Loss for the period	—
Balance carried forward	<u>—</u>

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit/(loss) for the financial period	201,889	(179,267)
Opening shareholders' deficit	(1,985,813)	(1,806,546)
Closing shareholders' deficit	<u>(1,783,924)</u>	<u>(1,985,813)</u>

28. Notes to the cash flow statement

Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2012 £	2011 £
Operating profit	630,271	95,274
Amortisation	11,305	2,740
Depreciation	179,141	296,780
Profit on disposal of fixed assets	–	(2,594)
Increase in stocks	(24,559)	(202,005)
Increase in debtors	(166,920)	31,887
(Decrease)/increase in creditors	277,648	(274,226)
Decrease in provisions	–	(18,175)
Net cash (outflow)/inflow from operating activities	<u>906,886</u>	<u>(70,319)</u>

Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
Increase/(decrease) in cash in the period	277,021	(240,828)
Net cash outflow/(inflow) from bank loans	150,000	(400,000)
Cash outflow in respect of hire purchase	<u>6,271</u>	<u>–</u>
Change in net debt resulting from cashflows	433,292	(640,828)
New finance leases	(41,857)	–
Movement in net debt in the period	<u>391,435</u>	<u>(640,828)</u>
Net debt at 1 July 2011	(4,110,510)	(3,469,682)
Net debt at 30 June 2012	<u>(3,719,075)</u>	<u>(4,110,510)</u>

SPARK E-COMMERCE GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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28. Notes to the cash flow statement *(continued)*

Analysis of changes in net debt

	At 1 July 2011 £	Cash flows £	Other Changes	At 30 June 2012 £
Net cash				
Cash in hand and at bank	489,490	277,021	—	766,511
Debt				
Debt due after one period	(4,600,000)	150,000	—	(4,450,000)
Hire purchase agreements	—	6,271	(41,857)	(35,586)
Net debt	(4,600,000)	156,271	(41,857)	4,485,586
Net debt	(4,110,510)	433,292	(41,857)	(3,719,075)

There has been no effect on the net debt position as a result of the acquisition of the trade and assets of Spirit of Nature Retail Limited, Wild Gardens Limited and Frank and Faith Limited by the group

Non cash transactions

During the period, the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £41,857 (2011 £nil)

29. Acquisitions and disposals

	Fair value and book value £
Stock acquired	42,202
Goodwill acquired	55,977
Satisfied by Cash consideration on acquisition	98,179

The acquisition above represents the cash consideration of £98,179 paid to acquire the net assets of Spirit of Nature Retail Limited, Wild Gardens Limited and Frank & Faith Limited, by Spark Etail Limited, a group company, as disclosed in note 12 to the financial statements

30. Ultimate controlling party

In the directors' opinion the company is not under the control of any individual entity