
OCTOBER'S VERY OWN MERCHANDISING LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

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OCTOBER'S VERY OWN MERCHANDISING LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

OCTOBER'S VERY OWN MERCHANDISING LTD
REGISTERED NUMBER: 10162607

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

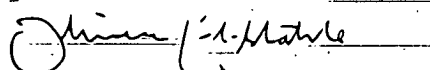
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	3	448,963	550,758
Current assets			
Stocks	4	1,046,808	31,245
Debtors: amounts falling due within one year	5	150,069	94,874
Cash at bank and in hand		282,585	370,640
		<u>1,479,462</u>	<u>496,759</u>
Creditors: amounts falling due within one year	6	(2,018,962)	(1,192,949)
Net current liabilities		<u>(539,500)</u>	<u>(696,190)</u>
Total assets less current liabilities		<u>(90,537)</u>	<u>(145,432)</u>
Net liabilities		<u>(90,537)</u>	<u>(145,432)</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		(90,637)	(145,532)
		<u>(90,537)</u>	<u>(145,432)</u>

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

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

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.



O T El-Khatib
Director

The notes on pages 3 to 8 form part of these financial statements.

OCTOBER'S VERY OWN MERCHANDISING LTD

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

1. General information

The company is a private company (limited by shares), incorporated and domiciled in England and Wales.

The principal activity of the company during the current year continued to be that of retailing.

The address of the company's registered office is 31/32 Ely Place, London, United Kingdom, EC1N 6TD whilst its principal place of business is 1c Poland Street, Soho, London W1F 8PR.

The average monthly number of employees, including directors, during the year was 12 (2017: 10).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 December 2018 the company had net current liabilities of £539,500 and net liabilities of £90,537.

The director considers the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of support from a fellow group undertaking October's Very Own Merchandising ("OVOM", see the final note to the financial statements for further details regarding this entity) (including OVOM not requesting repayment of any amounts owed to it by the company whilst any other creditors of the company remain unpaid, except to the extent that the company is able to discharge all its debts and liabilities as they fall due) and other mitigating actions that can be taken during that period.

2.3 Revenue

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

OCTOBER'S VERY OWN MERCHANDISING LTD

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

2. Accounting policies (continued)

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

OCTOBER'S VERY OWN MERCHANDISING LTD

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold property	- 15 years straight line
Fixtures and fittings	- 20% reducing balance
Computer equipment	- 30% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.10 Creditors

Short term creditors are measured at transaction price.

OCTOBER'S VERY OWN MERCHANDISING LTD

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

3. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2018	15,211	532,790	22,340	570,341
Additions	-	8,659	-	8,659
At 31 December 2018	15,211	541,449	22,340	579,000
Depreciation				
At 1 January 2018	930	17,760	893	19,583
Charge for the year on owned assets	1,014	103,006	6,434	110,454
At 31 December 2018	1,944	120,766	7,327	130,037
Net book value				
At 31 December 2018	13,267	420,683	15,013	448,963
At 31 December 2017	14,281	515,030	21,447	550,758

4. Stocks

	2018 £	2017 £
Goods for resale	1,046,808	31,245

5. Debtors

	2018 £	2017 £
Other debtors	78,305	83,257
Called up share capital not paid	100	100
Prepayments and accrued income	71,664	11,517
	150,069	94,874

OCTOBER'S VERY OWN MERCHANDISING LTD

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

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	1,796,203	1,038,574
Trade creditors	27,577	18,590
Other taxation and social security	10,943	30,116
Accruals and deferred income	184,239	105,669
	<u>2,018,962</u>	<u>1,192,949</u>

7. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017 - 100) Ordinary Shares shares of £1 each	<u>100</u>	<u>100</u>

8. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	130,000	97,945
Later than 1 year and not later than 5 years	520,000	520,000
Later than 5 years	1,060,658	1,190,658
	<u>1,710,658</u>	<u>1,808,603</u>

OCTOBER'S VERY OWN MERCHANDISING LTD

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

9. Parent Undertaking, Controlling Party and Related Party Transactions

Parent Undertaking and Controlling Party

The company's immediate and ultimate parent undertaking is ADG Merchandise Inc ("ADG"), a company incorporated in Canada..

A D Graham is the company's controlling party by virtue of his ownership of the majority of the issued share capital of ADG.

Related Party Transactions

Included in creditors due within one year is a loan repayable on demand of £1,796,203 (2017: £1,038,574) advanced from a fellow subsidiary undertaking of ADG, October's Very Own Merchandising ("OVOM"), a Canadian Partnership.

CAN\$444,444 of the loan owed to OVOM attracts interest at 3.5% whilst the remainder attracts no interest. During the year interest of £11,951 (2017: £6,086) was charged on the loan.

10. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was qualified.

The qualification in the audit report was as follows:

With respect to stock, with a carrying value of £1,046,808 and £31,245 as at 31 December 2018 and 31 December 2017 respectively, the audit evidence available to us was limited because we did not observe the counting of the physical stock as at both those dates, as these dates were prior to our appointment as auditor of the company. We were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. The limitation on evidence of existence of stock at the beginning and end of the year means that we were unable to obtain sufficient audit evidence to confirm the cost of sales and closing stock balances recognised within the financial statements.

The audit report was signed on 30 September 2019 by John Glaby (Senior statutory auditor) on behalf of Crowe U.K. LLP.