

Company registration number 06862887

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH
2016

GIFT UNIVERSE GROUP
LIMITED (PREVIOUSLY
MENKIND GROUP
LIMITED)

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GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

COMPANY INFORMATION

Directors	V Corner P Kraftman P Martin
Registered number	06862887
Registered office	The Atrium Curtis Road Dorking Surrey RH4 1XA
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Victoria House 50-58 Victoria Road Farnborough Hampshire GU14 7PG

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

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GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The principal activity of Gift Universe Group Limited is the holding company of a group of companies whose principal activities are those of the operation of retail stores and website for the sale of gifts and gadgets.

Business review

The results for the year and the financial position at the year end were considered satisfactory by the directors with continued growth expected for the future.

Principal risks and uncertainties

The company's principal financial instruments comprise bank balances, trade creditors and loans. The main purpose of these instruments is to raise funds for the company's operations. The company's approach to managing the risk applicable to the financial instruments concerned are as follows:

In respect to bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest should it be considered necessary.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and to ensure loan repayments are met on time.

The company has a sufficiently strong balance sheet at the year end with sufficient cash reserves to meet forthcoming requirements.

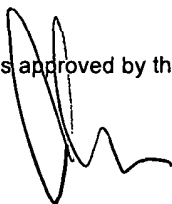
Financial key performance indicators

The key financial performance indicators are as follows:

	2016	2015
	£	
Turnover	56,757,559	35,620,984
Turnover Growth	59%	31%
Earnings Before Interest, Tax, Depreciation and Amortisation	5,870,641	3,697,518

This report was approved by the board on 29th December 2016 and signed on its behalf.

P Kraftman
Director



GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors

The directors who served during the year were:

V Corner
P Kraftman
P Martin

Results and dividends

The profit for the year, after taxation, amounted to £3,333,575 (2015 - £2,504,166).

Going Concern

The Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The Directors will continue to develop the business along similar lines to those followed in previous years.

Disabled employees

The Group does not discriminate against disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Directors are aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29th December 2016 and signed on its behalf.


P Kraftman
Director

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

We have audited the financial statements of Gift Universe Group Limited (previously Menkind Group Limited) for the year ended 31 March 2016, set out on pages 6 to 37. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 on page 3, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2016 and of the Group's profit or loss for the year 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

MENZIES
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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GIFT
UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)
(CONTINUED)**

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 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.



Roberto Lobue FCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Victoria House
50-58 Victoria Road
Farnborough
Hampshire
GU14 7PG

Date: 29/12/16

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover	4	56,757,559	35,620,984
Cost of sales		(31,649,726)	(16,441,901)
Gross profit		25,107,833	19,179,083
Distribution costs		(2,286,356)	(2,387,701)
Administrative expenses		(18,692,832)	(13,546,132)
Other operating income		291,725	-
Operating profit	5	4,420,370	3,245,250
Interest payable and expenses	9	(150,093)	(25,326)
Profit before taxation		4,270,277	3,219,924
Tax on profit	10	(936,702)	(715,758)
Profit for the year		3,333,575	2,504,166
Total comprehensive income for the year		3,333,575	2,504,166

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

REGISTERED NUMBER:06862887

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	12		4,113,129		-
Tangible assets	14		2,393,469		724,127
			<u>6,506,598</u>		<u>724,127</u>
Current assets					
Stocks	16	5,457,765		3,710,718	
Debtors: amounts falling due within one year	17	5,950,116		2,722,905	
Cash at bank and in hand	18	3,144,138		4,918,553	
			<u>14,552,019</u>	<u>11,352,176</u>	
Creditors: amounts falling due within one year	19	(12,931,069)		(7,382,489)	
Net current assets			<u>1,620,950</u>		<u>3,969,687</u>
Total assets less current liabilities			<u>8,127,548</u>		<u>4,693,814</u>
Creditors: amounts falling due after more than one year	20		(617,909)		(428,631)
Provisions for liabilities					
Deferred taxation	24	(102,882)		(27,001)	
			<u>(102,882)</u>	<u>(27,001)</u>	
Net assets excluding pension asset			<u>7,406,757</u>		<u>4,238,182</u>
Net assets			<u>7,406,757</u>		<u>4,238,182</u>
Capital and reserves					
Called up share capital	25		577,000		577,000
Profit and loss account	26		6,829,757		3,661,182
Equity attributable to owners of the parent Company			<u>7,406,757</u>		<u>4,238,182</u>
			<u>7,406,757</u>		<u>4,238,182</u>

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

29/12/16


P Kraftman
Director

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**
REGISTERED NUMBER:06862887

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 MARCH 2016**

The notes on pages 16 to 37 form part of these financial statements.

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

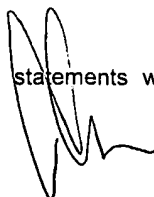
REGISTERED NUMBER:06862887

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Investments	15		<u>7,672,195</u>		<u>877,007</u>
			<u>7,672,195</u>		<u>877,007</u>
Current assets					
Debtors: amounts falling due within one year	17	<u>165,000</u>		<u>-</u>	
		<u>165,000</u>		<u>-</u>	
Creditors: amounts falling due within one year	19	<u>(6,960,195)</u>		<u>(7)</u>	
Net current liabilities			<u>(6,795,195)</u>		<u>(7)</u>
Total assets less current liabilities			<u>877,000</u>		<u>877,000</u>
Creditors: amounts falling due after more than one year	20		<u>(300,000)</u>		<u>(300,000)</u>
Net assets excluding pension asset			<u>577,000</u>		<u>577,000</u>
Net assets			<u>577,000</u>		<u>577,000</u>
Capital and reserves					
Called up share capital	25		<u>577,000</u>		<u>577,000</u>
			<u>577,000</u>		<u>577,000</u>

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

P Kraftman
Director



29/12/16

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	577,000	3,661,182	4,238,182
Comprehensive income for the year			
Profit for the year	-	3,333,575	3,333,575
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,333,575	3,333,575
Dividends	-	(165,000)	(165,000)
Total transactions with owners	-	(165,000)	(165,000)
At 31 March 2016	577,000	6,829,757	7,406,757

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	577,000	1,272,016	1,849,016
Comprehensive income for the year			
Profit for the year	-	2,504,166	2,504,166
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,504,166	2,504,166
Dividends	-	(115,000)	(115,000)
Total transactions with owners	-	(115,000)	(115,000)
At 31 March 2015	577,000	3,661,182	4,238,182

The notes on pages 16 to 37 form part of these financial statements.

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	577,000	-	577,000
Comprehensive income for the year			
Profit for the year	-	165,000	165,000
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	165,000	165,000
Contributions by and distributions to owners			
Dividends	-	(165,000)	(165,000)
Total transactions with owners	-	(165,000)	(165,000)
At 31 March 2016	577,000	-	577,000

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Total equity
	£	£
At 1 April 2014	577,000	577,000
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Total transactions with owners	-	-
At 31 March 2015	577,000	577,000

The notes on pages 16 to 37 form part of these financial statements.

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	3,333,575	2,504,166
Adjustments for:		
Amortisation of intangible assets	459,471	-
Depreciation of tangible assets	990,800	439,238
Interest paid	150,093	25,326
Taxation	936,702	715,758
(Increase) in stocks	(1,747,047)	(1,352,964)
(Increase) in debtors	(3,227,211)	(2,085,469)
Increase in creditors	2,948,832	3,228,377
Net cash generated from operating activities	3,845,215	3,474,432
Cash flows from investing activities		
Purchase of intangible fixed assets	(4,563,126)	-
Purchase of tangible fixed assets	(1,803,857)	(274,194)
Sale of tangible fixed assets	15,365	-
Assets acquired on acquisition on subsidiary	(881,119)	(2)
HP interest paid	(19,389)	(8,790)
Net cash from investing activities	(7,252,126)	(282,986)

**GIFT UNIVERSE GROUP LIMITED
(PREVIOUSLY MENKIND GROUP
LIMITED)**

**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Cash flows from financing activities		
New secured loans	242,679	(260,639)
Repayment of/new finance leases	479,452	(90,733)
Dividends paid	(165,000)	(115,000)
Interest paid	(130,704)	(16,536)
Net cash used in financing activities	426,427	(482,907)
Cash and cash equivalents at beginning of year	4,090,757	1,382,218
Cash and cash equivalents at the end of year	1,110,273	4,090,757
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,144,142	4,918,553
Bank overdrafts	(2,033,869)	(827,796)
	1,110,273	4,090,757

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

The Gift Universe Group Limited is a private limited company, incorporated in the United Kingdom and its company information can be found on the company information page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 31.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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2.5 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.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using a combination of Straight Line and Reducing Balances method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 20% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 15% to 50% on cost and 10 to 20% 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 Consolidated Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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.

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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.9 Financial instruments (continued)

and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

2.15 Leased assets: the Group as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets.

Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a change 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart for those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the accounts recognised in the financial statements are described below.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying of assets and liabilities within the next financial year are as follows :

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rate of the debtor, the ageing profile of debtors and historical experience.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual value are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment.

There were no other key sources of estimation uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sales of goods	56,757,559	35,620,984
	<u>56,757,559</u>	<u>35,620,984</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	56,344,169	35,620,984
Rest of Europe	405,012	-
Rest of the World	8,378	-
	<u>56,757,559</u>	<u>35,620,984</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	990,800	452,268
Amortisation of intangible assets, including goodwill	459,471	-
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	51,838	24,000
Exchange differences	159,886	(104,182)
Other operating lease rentals	3,520,917	2,025,142
Defined contribution pension cost	194,376	22,833
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2016	2015
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	51,838	24,000
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	8,859,749	4,831,866
Social security costs	456,967	294,100
Cost of defined contribution scheme	194,376	22,833
	<u>9,511,092</u>	<u>5,148,799</u>

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

	2016 No.	2015 No.
Average Staff numbers	<u>794</u>	<u>563</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	192,031	230,738
	<u>192,031</u>	<u>230,738</u>

The highest paid director received remuneration of £192,031 (2015 - £150,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £163,500.

9. Interest payable and similar charges

	2016 £	2015 £
Bank and other loan interest payable	130,704	16,536
Finance leases and hire purchase contracts	19,389	8,790
	<u>150,093</u>	<u>25,326</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	972,919	704,142
	<u>972,919</u>	<u>704,142</u>
Total current tax	<u>972,919</u>	<u>704,142</u>
Deferred tax		
Origination and reversal of timing differences	(36,217)	11,616
Total deferred tax	<u>(36,217)</u>	<u>11,616</u>
Taxation on profit on ordinary activities	<u>936,702</u>	<u>715,758</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015 - 21%) as set out below:

	2016 £	2015 £
Profit on ordinary activities before tax	4,270,277	3,219,924
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	854,055	676,184
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	75,964	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	54,726	3,205
Capital allowances for year in excess of depreciation	111	30,516
Utilisation of tax losses	(6,209)	3,472
Over/under provision	(46,302)	-
Other tax adjustments	-	2,381
Group relief	4,357	-
Total tax charge for the year	<u>936,702</u>	<u>715,758</u>

Factors that may affect future tax charges

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. Taxation (continued)

There were no factors that may affect future tax charges.

11. Dividends

	2016 £	2015 £
Ordinary Share Dividends	150,000	100,000
Preference Share Dividends	15,000	15,000
	<u>165,000</u>	<u>115,000</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12. Intangible assets

Group and Company

	Development Costs £	Goodwill £	Total £
Cost			
Additions	-	4,563,126	4,563,126
On acquisition of subsidiaries	15,790	-	15,790
At 31 March 2016	<u>15,790</u>	<u>4,563,126</u>	<u>4,578,916</u>
Amortisation			
Charge for the year	3,158	456,313	459,471
On acquisition of subsidiaries	6,316	-	6,316
At 31 March 2016	<u>9,474</u>	<u>456,313</u>	<u>465,787</u>
Net book value			
At 31 March 2016	<u>6,316</u>	<u>4,106,813</u>	<u>4,113,129</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £165,000 (2015 - £115,000).

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2015	490,047	735,915	2,008,457	3,234,419
Additions	100,535	125,757	1,577,565	1,803,857
Acquisition of subsidiary	26,479	-	1,760,557	1,787,036
Disposals	-	(11,971)	(83,795)	(95,766)
At 31 March 2016	617,061	849,701	5,262,784	6,729,546
Depreciation				
At 1 April 2015	437,225	573,800	1,499,266	2,510,291
Charge owned for the period	31,138	100,683	858,979	990,800
Disposals	-	-	(80,401)	(80,401)
Acquisition of subsidiary	25,313	-	890,075	915,388
At 31 March 2016	493,676	674,483	3,167,919	4,336,078
Net book value				
At 31 March 2016	123,385	175,218	2,094,865	2,393,468
At 31 March 2015	52,822	162,115	509,190	724,127

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	7,748	25,726
Furniture, fittings and equipment	966,529	134,444
	<u>974,277</u>	<u>160,170</u>

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Menkind Seasonal Limited	United Kingdom	Ordinary	100 %	Retailer of giftware
Gift Universe Limited	United Kingdom	Ordinary	100 %	Online Retailer of giftware
Gadget Grotto Limited	United Kingdom	Ordinary	100 %	Online Retailer of giftware
Gift Universe (Wholesale) Limited	United Kingdom	Ordinary	100 %	Stock Wholesaler
Gift Universe Management Limited (previously Menkind Retail Limited)	United Kingdom	Ordinary	100 %	Management company
Menkind Limited (previously Menkind Stores Limited)	United Kingdom	Ordinary	100 %	Retailer of giftware
Menkind Properties UK Limited	United Kingdom	Ordinary	100 %	Dormant
Red 5 (Retail) Limited	United Kingdom	Ordinary	100 %	Retailer of giftware
The Source Wholesale Limited	United Kingdom	Ordinary	100 %	Stock Wholesaler

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

15. Fixed asset investments (continued)

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Menkind Seasonal Limited	3,628,860	1,768,193
Gift Universe Limited	(383,314)	214,474
Gadget Grotto Limited	122,256	(31,045)
Gift Universe (Wholesale) Limited	(16,967)	9,260
Gift Universe Management Limited (previously Menkind Retail Limited)	2,860,239	204,095
Menkind Limited (previously Menkind Stores Limited)	947,259	920,166
Menkind Properties UK Limited	2	-
Red 5 (Retail) Limited	2,321,489	392,691
The Source Wholesale Limited	615,324	235,558
	<u>10,095,148</u>	<u>3,713,392</u>

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 April 2015	877,007
Additions	6,795,188
At 31 March 2016	<u>7,672,195</u>
Net book value	
At 31 March 2016	<u>7,672,195</u>
At 31 March 2015	<u>877,007</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

The Group acquired both The Source Wholesale Limited and Red 5 (Retail) Limited on 19 August 2015, for a combined consideration paid of £6,795,188, with a goodwill arising on business combination of £4,563,126, which is being amortised over a useful economic life of 10 years. The net assets of both The Source Wholesale and Red 5 (Retail) Limited on acquisitions were as follows:

	The Source Wholesale Limited £	Red 5 (Retail) Limited £	
Cash at Bank	145,240	(446,800)	
Tangible Fixed assets	1,733	841,002	
Stock	570,831	4,386,339	
Debtors	250,502	1,596,020	
Creditors due within 1 year	(533,916)	(3,210,066)	
Creditors due greater than 1 year	-	(1,256,725)	
Provisions	(356)	(111,742)	
Net Assets at Acquisition	434,034	1,798,028	
			Overall £
Overall Net Assets			2,232,062
Goodwill			4,563,126
Consideration			6,795,188

16. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finished goods and goods for resale	5,457,765	3,710,718	-	-
	5,457,765	3,710,718	-	-

Stock recognised in cost of sales during the year as an expense was £30,833,063 (2015 - £13,386,706).

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	878,418	-	-	-
Amounts owed by group undertakings	-	-	165,000	-
Other debtors	1,624,225	45,524	-	-
Prepayments and accrued income	3,437,473	2,677,381	-	-
Tax recoverable	10,000	-	-	-
	<u>5,950,116</u>	<u>2,722,905</u>	<u>165,000</u>	<u>-</u>

Included within other debtors is a financial instruments of £182,841 (2015: £nil) which is measured at fair value, with a change in valuation of £182,841 (2015: £nil) charged to the Statement of Comprehensive Income.

18. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	3,144,142	4,918,553	-	-
Less: bank overdrafts	(2,033,869)	(827,796)	-	-
	<u>1,110,273</u>	<u>4,090,757</u>	<u>-</u>	<u>-</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	2,033,869	827,796	-	-
Bank loans	599,100	256,920	-	-
Trade creditors	4,847,750	3,560,283	-	-
Amounts owed to group undertakings	-	-	6,045,195	7
Corporation tax	651,634	704,142	-	-
Taxation and social security	1,066,426	748,366	-	-
Obligations under finance lease and hire purchase contracts	247,394	56,720	-	-
Other creditors	1,057,074	100,968	915,000	-
Accruals and deferred income	2,427,822	1,127,294	-	-
	<u>12,931,069</u>	<u>7,382,489</u>	<u>6,960,195</u>	<u>7</u>

The bank overdraft and loan are secured via a cross guarantee and debenture between Gift Universe Group Limited, Gift Universe Management Limited, Menkind Seasonal Limited, Menkind Limited, Gift Universe Limited, Gadget Grotto Limited, Gift Universe (Wholesale) Limited, Red 5 (Retail) Limited and The Source Wholesale Limited.

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	-	99,501	-	-
Net obligations under finance leases and hire purchase contracts	317,909	29,130	-	-
Share capital treated as debt	300,000	300,000	300,000	300,000
	<u>617,909</u>	<u>428,631</u>	<u>300,000</u>	<u>300,000</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. Loans

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	599,100	256,920	-	-
	<u>599,100</u>	<u>256,920</u>	<u>-</u>	<u>-</u>
Amounts falling due 1-2 years				
Bank loans	-	99,501	-	-
	<u>-</u>	<u>99,501</u>	<u>-</u>	<u>-</u>
	<u>599,100</u>	<u>356,421</u>	<u>-</u>	<u>-</u>

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	218,353	56,720
Between 1-2 years	217,320	29,130
Between 2-5 years	100,589	-
	<u>536,262</u>	<u>85,850</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

23. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets measured at fair value through profit or loss	3,144,142	4,918,553	-	-
Financial assets that are debt instruments measured at amortised cost	2,502,643	45,524	165,000	-
	<u>5,646,785</u>	<u>4,964,077</u>	<u>165,000</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(10,868,272)	(6,175,818)	(7,095,195)	(300,007)
	<u>(10,868,272)</u>	<u>(6,175,818)</u>	<u>(7,095,195)</u>	<u>(300,007)</u>

24. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	(27,001)	(15,385)
Charged to the profit or loss	36,217	(11,616)
Arising on business combinations	(112,098)	-
At end of year	<u>(102,882)</u>	<u>(27,001)</u>

	Group 2016 £	Group 2015 £
Accelerated capital allowances	(102,882)	(27,001)
	<u>(102,882)</u>	<u>(27,001)</u>

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

25. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
577,000 Ordinary Share Capital shares of £1 each	577,000	577,000
	<u>577,000</u>	<u>577,000</u>
	2016 £	2015 £
Shares classified as debt		
Allotted, called up and partly paid		
300,000 Preference Share Capital shares of £1 each	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

26. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £194,376 (2015 - £22,833). Contributions totalling £7,925 (2015 - £nil) were payable to the fund at the reporting date.

28. Commitments under operating leases

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	3,195,039	2,120,800
Later than 1 year and not later than 5 years	8,661,556	6,660,956
Later than 5 years	2,895,017	1,834,468
	<u>14,751,612</u>	<u>10,616,224</u>

Lease payments of £3,520,917 (2015: £2,025,142) were recognised as an expense in the income statements during the year.

GIFT UNIVERSE GROUP LIMITED (PREVIOUSLY MENKIND GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

29. Related party transactions

Included within other creditors are amounts of £165,000 (2015: £nil) payable to the directors and shareholders.

The directors consider there are no key management personnel that require disclosure other than the directors remuneration disclosure in note 8.

30. Controlling party

The group is considered to be controlled by P Kraftman by virtue of his shareholding

31. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.