Registered number: 06401786

GAZELLI INTERNATIONAL LIMITED

UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2017

LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

GAZELLI INTERNATIONAL LIMITED

REGISTERED NUMBER:06401786

BALANCE SHEET
AS AT 31 OCTOBER 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	4		25,420		30,155
Tangible assets	5		14,115,739		14,373,294
			14,141,159		14,403,449
Current assets					
Stocks	6	9,565		13,686	
Debtors: amounts falling due within one year	7	174,933		151,587	
Cash at bank and in hand	8	250,583		696,813	
		435,081		862,086	
Creditors: amounts falling due within one year	9	(225,447)		(300,955)	
Net current assets			209,634		561,131
Total assets less current liabilities			14,350,793		14,964,580
Creditors: amounts falling due after more than one year	10		(10,332,833)		(9,567,438)
Net assets			4,017,960		5,397,142

BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	12	10	10
Profit and loss account		4,017,950	5,397,132
		4,017,960	5,397,142

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income 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 by:

Jamila Askarova
Director

Date: 20/09/18

The notes on pages 3 to 12 form part of these financial statements.

1. General information

Gazelli International Limited is a private company limited by shares incorporated in England within the United Kingdom. Its registered office is 15 Bury Walk, London, SW3 6QD. The principal activity of the company in the year was the sale of cosmetics and beauty treatments, and the provision of design and advertising services.

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

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day-to-day working capital requirements through the support of the director and her family. The director believes that it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence in the future on the basis that the company's director and family will continue their support.

These financial statements do not include any adjustments that would result from the withdrawal of the support of the director and her family.

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;

2. Accounting policies (continued)

2.3 Revenue (continued)

- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property improvements	- 10% per annum of cost
Furniture and equipment	- 50% per annum of cost
Website	- 20% per annum of cost

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 Comprehensive Income.

2.6 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 balance sheet 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. Accounting policies (continued)

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

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

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

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Borrowing costs

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

3. Employees

The average monthly number of employees, including directors, during the year was 17 (2016 - 8).

4. Intangible assets

	Trademarks £
Cost	
At 1 November 2016	70,916
Additions	2,617
At 31 October 2017	73,533
Amortisation	
At 1 November 2016	40,761
Charge for the year	7,352
At 31 October 2017	48,113
Net book value	
At 31 October 2017	25,420
At 31 October 2016	30,155

5. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Website £	Total £
Cost or valuation				
At 1 November 2016	14,718,998	208,760	46,824	14,974,582
Additions	31,673	3,698	7,080	42,451
At 31 October 2017	14,750,671	212,458	53,904	15,017,033
Depreciation				
At 1 November 2016	426,870	137,368	37,050	601,288
Charge for the year on owned assets	219,631	73,241	7,134	300,006
At 31 October 2017	646,501	210,609	44,184	901,294
Net book value				
At 31 October 2017	14,104,170	1,849	9,720	14,115,739
At 31 October 2016	14,292,128	71,392	9,774	14,373,294

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	9,565	13,686

7. Debtors

	2017 £	2016 £
Trade debtors	57,170	40,000
Other debtors	77,125	57,966
Prepayments and accrued income	40,638	53,621
	174,933	151,587

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	250,583	696,813

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	52,582	114,376
Other taxation and social security	12,311	15,396
Other creditors	143,091	147,550
Accruals and deferred income	17,463	23,633
	225,447	300,955

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

	2017 £	2016 £
Other loans	10,332,833	9,567,438

Secured loans

Included in creditors falling due after more than one year are loans totalling £16,396,907 (2016 - £16,396,907) which have been initially measured at the present value of future cash flows and subsequently carried at amortised cost, in accordance with note 2.8 above. These loans are secured on the assets of the company, interest free and are repayable in periods of ten years from the date of the initial drawdown of the loan.

11. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due after more than 5 years		
Other loans	10,332,833	9,567,438

12. Share capital

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £0.01 each	10	10

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,959 (2016 - £nil). Contributions totalling £506 (2016 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

14. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2015. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 November 2015 £	Effect of transition 1 November 2015 £	FRS 102 (as restated) 1 November 2015 £	As previously stated 31 October 2016 £	Effect of transition 31 October 2016 £	FRS 102 (as restated) 31 October 2016 £
Fixed assets		14,528,432	-	14,528,432	14,403,449	-	14,403,449
Current assets		1,057,536	-	1,057,536	862,086	-	862,086
Creditors: amounts falling due within one year		(567,921)	-	(567,921)	(300,955)	-	(300,955)
Net current assets		489,615	-	489,615	561,131	-	561,131
Total assets less current liabilities		15,018,047	-	15,018,047	14,964,580	-	14,964,580
Creditors: amounts falling due after more than one year	1	(15,696,907)	7,216,357	(8,480,550)	(16,396,907)	6,829,469	(9,567,438)
Net assets		(678,860)	7,216,357	6,537,497	(1,432,327)	6,829,469	5,397,142
Capital and reserves		(678,860)	7,216,357	6,537,497	(1,432,327)	6,829,469	5,397,142

14. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 October 2016 £	Effect of transition 31 October 2016 £	FRS 102 (as restated) 31 October 2016 £
Turnover		528,174	-	528,174
Cost of sales		(111,270)	-	(111,270)
		416,904	-	416,904
Administrative expenses		(1,230,558)	-	(1,230,558)
Other operating income		60,000	-	60,000
Operating profit		(753,654)	-	(753,654)
Interest receivable and similar income	1	224	299,339	299,563
Interest payable and similar charges	1	(37)	(686,227)	(686,264)
Loss on ordinary activities after taxation and for the financial year		(753,467)	(386,888)	(1,140,355)

Explanation of changes to previously reported profit and equity:

1 The amounts included within creditors falling due after more than one year are now carried at amortised cost using the effective interest method. This has the effect of reducing the carrying value of the loan to reflect the present value of future cashflows and this discount is released over the life of the loan.