

Registered number: 07093672

**THREADS STYLING LIMITED**

**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



**THREADS STYLING LIMITED**  
**REGISTERED NUMBER: 07093672**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	3		77,234
Tangible assets	4	44,641	39,444
Investments	5	40,987	40,987
		<u>85,628</u>	<u>157,665</u>
<b>Current assets</b>			
Stocks		128,632	77,965
Debtors	6	750,649	253,431
Cash at bank and in hand		1,285,560	1,247,595
		<u>2,164,841</u>	<u>1,578,991</u>
Creditors: amounts falling due within one year	7	(962,985)	(702,408)
<b>Net current assets</b>		<u>1,201,856</u>	<u>876,583</u>
<b>Total assets less current liabilities</b>		<u>1,287,484</u>	<u>1,034,248</u>
<b>Capital and reserves</b>			
Called up share capital		153	142
Share premium account		4,056,656	2,431,219
Profit and loss account		(2,769,325)	(1,397,113)
<b>Total shareholders' funds</b>		<u>1,287,484</u>	<u>1,034,248</u>

The directors consider 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 directors acknowledge their 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.

**THREADS STYLING LIMITED**  
**REGISTERED NUMBER: 07093672**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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:



**S E Hill**  
Director

Date: 27/9/18

The notes on pages 3 to 10 form part of these financial statements.

## **THREADS STYLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. General information**

Threads Styling Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Second Home, 68-80 Hanbury Street, London, England, E1 5JL.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention 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 consistently throughout the year:

##### **2.2 Going concern**

After assessing the forecasts and liquidity of the business for the next financial year the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing financial statements.

##### **2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

###### **Sale of goods**

Turnover 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 turnover 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**

Turnover 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 turnover can be measured reliably;
- 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.

## **THREADS STYLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. Accounting policies (continued)**

##### **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.

The estimated useful lives range as follows:

Software	3 years
----------	---------

##### **2.5 Tangible assets**

Tangible 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:

Fixtures and fittings	25% straight line
Computer equipment	25% straight line

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 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **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 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.

##### **2.8 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.

## **THREADS STYLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. Accounting policies (continued)**

##### **2.9 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.

##### **2.10 Financial instruments**

The company only enters into basic financial instrument 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 the 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.

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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

##### **2.11 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.

## **THREADS STYLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. Accounting policies (continued)**

##### **2.12 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.

##### **2.13 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.

##### **2.14 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.

## **THREADS STYLING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. Accounting policies (continued)**

##### **2.15 Interest income**

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

##### **2.16 Current and deferred taxation**

Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 balance sheet date.



# **THREADS STYLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

### **3. Intangible assets**

	<b>Software £</b>
<b>Cost</b>	
At 1 January 2017	<b>231,702</b>
At 31 December 2017	<b>231,702</b>
<b>Accumulated amortisation</b>	
At 1 January 2017	<b>154,468</b>
Charge for the year	<b>77,234</b>
At 31 December 2017	<b>231,702</b>
<b>Net book value</b>	
At 31 December 2017	<b>-</b>
At 31 December 2016	<b>77,234</b>

### **4. Tangible assets**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2017	<b>17,751</b>	<b>37,491</b>	<b>55,242</b>
Additions	<b>5,031</b>	<b>21,461</b>	<b>26,492</b>
At 31 December 2017	<b>22,782</b>	<b>58,952</b>	<b>81,734</b>
<b>Accumulated depreciation</b>			
At 1 January 2017	<b>4,634</b>	<b>11,164</b>	<b>15,798</b>
Charge for the year	<b>5,168</b>	<b>16,127</b>	<b>21,295</b>
At 31 December 2017	<b>9,802</b>	<b>27,291</b>	<b>37,093</b>
<b>Net book value</b>			
At 31 December 2017	<b>12,980</b>	<b>31,661</b>	<b>44,641</b>
At 31 December 2016	<b>13,117</b>	<b>26,327</b>	<b>39,444</b>

# **THREADS STYLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

### **5. Investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2017	40,987
At 31 December 2017	40,987
<b>Net book value</b>	
At 31 December 2017	40,987
At 31 December 2016	40,987

### **6. Debtors**

	2017 £	2016 £
Trade debtors	108,763	91,791
Amounts owed by group undertakings	236,821	-
Other debtors	133,383	136,273
Prepayments and accrued income	271,682	25,367
	750,649	253,431

### **7. Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	82,212	69,641
Amounts owed to group undertakings	-	8,159
Other taxation and social security	101,932	42,324
Other creditors	350,301	354,348
Accruals and deferred income	428,540	227,936
	962,985	702,408

# **THREADS STYLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

### **8. Called up share capital**

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
5,157 (2016 - 4,153) Ordinary A Shares shares of £0.01 each	52	42
10,066 (2016 - 10,000) Ordinary B Shares shares of £0.01 each	101	100
	<u>153</u>	<u>142</u>

### **9. Commitments under operating leases**

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	162,400	323,667
Later than 1 year and not later than 5 years	52,000	92,000
	<u>214,400</u>	<u>415,667</u>

### **10. Ultimate parent undertaking and controlling party**

The Company is under the control of its director, S Hill.