

CIGALON LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

CIGALON LIMITED
REGISTERED NUMBER: 07187535

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	456,928	471,448
		<u>456,928</u>	<u>471,448</u>
Current assets			
Stocks	5	17,535	18,395
Debtors: amounts falling due within one year	6	72,847	73,058
Cash at bank and in hand	7	75,511	78,541
		<u>165,893</u>	<u>169,994</u>
Creditors: amounts falling due within one year	8	(760,323)	(815,621)
Net current liabilities		<u>(594,430)</u>	<u>(645,627)</u>
Total assets less current liabilities		<u>(137,502)</u>	<u>(174,179)</u>
Net liabilities		<u>(137,502)</u>	<u>(174,179)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(137,503)	(174,180)
		<u>(137,502)</u>	<u>(174,179)</u>

CIGALON LIMITED
REGISTERED NUMBER: 07187535

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2017

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.

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 25 June 2018.

P V F X Labeyrie
Director

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. General information

Cigalon Limited is a private company limited by shares incorporated in England within the United Kingdom. The address of the registered office is 57 West Smithfield, London, EC1A 9DS. The Company is part of a group.

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

The Company has been given the continuing support of the parent company, Aspenlane Limited, and other subsidiary companies. The directors have indicated that this support will not be withdrawn. On this basis the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.4 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:

Leasehold land and buildings	-	Over the term of lease
Fixtures, fittings & equipment	-	20%

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.

2.5 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.

2.6 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.

2.7 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.

2.8 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

or received.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.11 Operating leases: the Company as lessee

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.

2.12 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 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.

3. Employees

The average monthly number of employees, including directors, during the year was 19 (2016 - 23).

CIGALON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

4. Tangible fixed assets

	L/Term Leasehold Property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2016	657,426	177,502	834,928
Additions	20,400	1,500	21,900
At 30 September 2017	<u>677,826</u>	<u>179,002</u>	<u>856,828</u>
Depreciation			
At 1 October 2016	194,464	169,016	363,480
Charge for the year	33,955	2,465	36,420
At 30 September 2017	<u>228,419</u>	<u>171,481</u>	<u>399,900</u>
Net book value			
At 30 September 2017	<u>449,407</u>	<u>7,521</u>	<u>456,928</u>
At 30 September 2016	<u>462,962</u>	<u>8,486</u>	<u>471,448</u>

5. Stocks

	2017 £	2016 £
Stock	17,535	18,395
	<u>17,535</u>	<u>18,395</u>

CIGALON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

6. Debtors

	2017 £	2016 £
Trade debtors	2,797	3,475
Amounts owed by group undertakings	6,022	-
Other debtors	21,875	21,875
Prepayments and accrued income	38,230	32,616
Deferred taxation	3,923	15,092
	<u>72,847</u>	<u>73,058</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	75,511	78,541
	<u>75,511</u>	<u>78,541</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	64,455	56,258
Amounts owed to group undertakings	574,400	646,354
Other taxation and social security	39,238	34,205
Other creditors	46,076	40,267
Accruals and deferred income	36,154	38,537
	<u>760,323</u>	<u>815,621</u>

CIGALON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Deferred taxation

	2017 £	2016 £
At beginning of year	15,092	28,415
Charged to profit or loss	(11,169)	(13,323)
At end of year	<u>3,923</u>	<u>15,092</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Tax losses carried forward	3,923	15,092
	<u>3,923</u>	<u>15,092</u>

10. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. 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 £1,648 (2016 - £NIL) . Contributions totalling £301 (2016 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

During the year the Company operated a loan account with Nestbridge Limited, a fellow subsidiary. The amount owed by the Company at the year end was £29,468 (2016 £404).

The loan is interest free and repayable on demand.

A guarantee limited to £650,000 has been provided to the parent company's bankers in respect of a group refinancing facility.

13. 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.

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