SMARTCIGS LTD UNAUDITED FINANCIAL STATEMENTS 31 DECEMBER 2016

A61RQARK A34 08/03/2017 #257 COMPANIES HOUSE

OPASS BILLINGS WILSON & HONEY LLP

Chartered Certified Accountants
Numeric House
98 Station Road
Sidcup
Kent
DA15 7BY

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2016

Contents	Pages
Officers and professional advisers	1
Statement of financial position	2 to 3
Notes to the financial statements	4 to 8

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors P A Webb

B D Webb

Registered office 24-26 Pudding Lane

Maidstone Kent ME14 ILT

Accountants Opass Billings Wilson & Honey LLP

Chartered Certified Accountants

Numeric House 98 Station Road Sideup

Sidcup Kent DA15 7BY

Bankers Lloyds TSB

130-132 Broadway Bexleyheath

Kent DA6 7DP

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2016

	2016			2015
	Note	£	£	£
Fixed assets				
Tangible assets	6		65,989	13,734
Current assets				
Stocks	7	130,965		51,698
Debtors	8	50,658		15,649
Cash at bank and in hand		1,665		13,239
		183,288		80,586
Creditors: amounts falling due within one year	9	154,503		117,985
Net current assets/(liabilities)			28,785	(37,399)
Total assets less current liabilities			94,774	(23,665)
Net assets/(liabilities)			94,774	(23,665)
Capital and reserves				
Called up share capital	11		100	100
Profit and loss account	12		94,674	(23,765)
Members funds/(deficit)			94,774	(23,665)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the period ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position continues on the following page.

The notes on pages 4 to 8 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION (continued)

31 DECEMBER 2016

These financial statements were approved by the board of directors and authorised for issue on 2 March 2017, and are signed on behalf of the board by:

P A Webb Director

Company registration number: 08144168

The notes on pages 4 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2016

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is 24-26 Pudding Lane, Maidstone, Kent, ME14 1LT.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors

Debtors are initially recorded at fair value and are assessed for impairment for each balance sheet date. If any impairments exist the debtors are re-measured to the present value of the expected future cash inflows.

Creditors

Creditors are initially recorded at fair value and are then re-measured to the present value of the expected future cash outflows.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Judgements and key sources of estimation uncertainty

There are no significant estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Revenue refers to the revenue earned from the Company's principal activity; the manufacture, sale and distribution of electronic cigarettes and liquids.

The revenue shown in the statement of comprehensive income represents amounts invoiced during the year, exclusive of Value Added Tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

PERIOD ENDED 31 DECEMBER 2016

3. Accounting policies (continued)

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery

25% reducing balance

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

PERIOD ENDED 31 DECEMBER 2016

_		
4	Staff cost	

The average number of persons employed by the company during the period, including the directors, amounted to 13 (2015: 7).

5. Profit before taxation

Profit/(loss) before taxation is stated after charging:		
· ,	2016	2015
	£	£
Depreciation of tangible assets	6,332	5,557

6. Tangible assets

	•		Plant and machinery
	Cost		£
	At 1 January 2016		22,228
	Additions		58,587
	At 31 December 2016		80,815
	Depreciation		
	At 1 January 2016		8,494
	Charge for the period		6,332
	At 31 December 2016		14,826
	Carrying amount At 31 December 2016		65,989
	At 31 December 2015		13,734
7.	Stocks		
		2016	2015
		£	£
	Raw materials and consumables	130,965	51,698
8.	Debtors		
		2016	2015
		£	£
	Trade debtors	12,908	2,834
	Other debtors	<u>37,750</u>	12,815
		50,658	15,649

NOTES TO THE FINANCIAL STATEMENTS (continued)

PERIOD ENDED 31 DECEMBER 2016

9.	Creditors: amounts falling due within one year	r			
				2016	2015
				£	£
	Bank loans and overdrafts			14,258	2,270
	Trade creditors			59,516	22,765
	Corporation tax			10,952	-
	Social security and other taxes			36,324	8,131
	Other creditors			33,453	84,819
				154,503	117,985
10.	Financial instruments				
	The carrying amount for each category of financial	ial instrument is a	s follows:		
	The earlying amount for each eategory of financia	iai instrument is a	13 10110 113.	2016	2015
				£	£
	Financial assets measured at fair value through p			12,908	2,834
	Financial liabilities measured at fair value through profit or loss Financial liabilities measured at fair value through profit or loss			73,774	25,035
11.	Called up share capital				
	Authorised share capital				
		2016		2015	
		No.	£	No.	£
	Ordinary £1 share shares of £1 each	100	100	100	100
	Issued, called up and fully paid				
		2016		2015	
		No.	£	No.	£
	Ordinary £1 share shares of £1 each	100	100	100	100
			-		

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

PERIOD ENDED 31 DECEMBER 2016

13. Directors' advances, credits and guarantees

During the period the directors entered into the following advances and credits with the company:

	20	16	
Balance	Advances/		
brought	(credits) to the		Balance
forward	directors	Amounts repaid	outstanding
£	£	£	£
(63,990)	_	56,808	(7,182)
· · ·	(13,500)	-	(13,500)
(63,990)	(13,500)	56,808	(20,682)
	20	15	
Balance	Advances/		
brought	(credits) to the		Balance
forward	directors	Amounts repaid	outstanding
£	£	£	£
(3,952)	(60,038)	_	(63,990)
_	_	_	_
(3,952)	(60,038)		(63,990)
	brought forward £ (63,990) (63,990) Balance brought forward £ (3,952)	Balance brought (credits) to the directors £ (63,990) ——————————————————————————————————	brought (credits) to the forward directors Amounts repaid £ £ £ (63,990) — 56,808 ——————————————————————————————————

14. Controlling party

The company was controlled throughout the current and previous periods by P A Webb by virtue of his majority shareholding.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.