

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
NANIGANS UK LIMITED**

FRIDAY



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NANIGANS UK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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NANIGANS UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTOR:	R Calvillo
SECRETARY:	Taylor Wessing Secretaries Ltd
REGISTERED OFFICE:	5 New Street Square London EC4A 3TW
REGISTERED NUMBER:	08335124 (England and Wales)
AUDITORS:	RSM UK Audit LLP, Statutory Auditor Chartered Accountants 25 Farringdon Street London EC4A 4AB

NANIGANS UK LIMITED
REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of sales and marketing services for the parent company.

DIRECTOR

R Calvillo held office during the whole of the period from 1 January 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

RSM UK Audit LLP has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
R Calvillo - Director

Date: 28 SEPTEMBER 2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NANIGANS UK LIMITED**

Opinion on financial statements

We have audited the financial statements on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

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 <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- if small - the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the director's report.

Respective responsibilities of directors and auditor

As more fully explained in the Director's responsibilities Statement set out on page 2, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 auditor's 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.



Joanna Sowden (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 28.9.17

NANIGANS UK LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
TURNOVER		1,458,707	1,411,573
Cost of sales		(502,841)	(359,594)
GROSS PROFIT		955,866	1,051,979
Administrative expenses		(860,437)	(959,634)
OPERATING PROFIT and PROFIT BEFORE TAXATION	4	95,429	92,345
Tax on profit	5	(37,857)	(22,831)
PROFIT FOR THE FINANCIAL YEAR		<u>57,572</u>	<u>69,514</u>

The notes form part of these financial statements

NANIGANS UK LIMITED (REGISTERED NUMBER: 08335124)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	6	12,881	12,481
CURRENT ASSETS			
Debtors	7	260,040	282,648
Cash at bank		90,575	36,464
		<u>350,615</u>	<u>319,112</u>
CREDITORS			
Amounts falling due within one year	8	(123,159)	(148,771)
NET CURRENT ASSETS		<u>227,456</u>	<u>170,341</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		240,337	182,822
PROVISIONS FOR LIABILITIES		<u>(2,190)</u>	<u>(2,247)</u>
NET ASSETS		<u>238,147</u>	<u>180,575</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,000	1,000
Retained earnings		<u>237,147</u>	<u>179,575</u>
SHAREHOLDERS' FUNDS		<u>238,147</u>	<u>180,575</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 28 SEPTEMBER 2017 and were signed by:



R Calvillo - Director

The notes form part of these financial statements

NANIGANS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Nanigans UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £ unless otherwise indicated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are the first financial statements of Nanigans UK Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102). The financial statements for the year ended 31 December 2016 were prepared in accordance with the Financial Reporting Standard for Smaller Entities. The date of transition was 1 January 2016.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRSSE 2015. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Basic financial assets

Basic financial assets which are receivable within one year, and which includes trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost less any amounts settled and any impairment losses unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Turnover

Turnover represents amounts receivable derived from the provision of services to the parent company, recognised in the period to which it relates.

NANIGANS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The Directors have considered the company's going concern status and having reviewed the company's cash position, current and forecast trading, they have concluded that the company has adequate financial resources to continue to operate for the foreseeable future with confirmed support received from the ultimate parent company, Nanigans, Inc., for the period of at least one year from the date of approval of these financial statements. The Directors therefore consider it appropriate to prepare these financial statements on the going concern basis.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2015 - 12).

NANIGANS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Other operating leases	159,596	-
Depreciation - owned assets	4,156	3,519
Auditors' remuneration	12,000	12,000
	<u>175,752</u>	<u>15,519</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	30,796	21,118
Over provision in prior year	7,118	(534)
Total current tax	37,914	20,584
Deferred tax	(57)	2,247
Tax on profit	<u>37,857</u>	<u>22,831</u>

6. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 January 2016	18,031
Additions	4,556
At 31 December 2016	<u>22,587</u>
Depreciation	
At 1 January 2016	5,550
Charge for year	4,156
At 31 December 2016	<u>9,706</u>
Net book value	
At 31 December 2016	<u>12,881</u>
At 31 December 2015	<u>12,481</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed by group undertakings	219,053	229,562
Other debtors	21,660	21,660
VAT	19,327	17,742
Prepayments	-	13,684
	<u>260,040</u>	<u>282,648</u>

NANIGANS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	6,925	19,549
Taxation and social security	59,032	21,118
Other creditors	57,202	108,104
	<u>123,159</u>	<u>148,771</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	<u>14,100</u>	<u>14,100</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

11. RESERVES

Retained earnings: cumulative profit and loss net of distributions to owners

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

13. FIRST YEAR ADOPTION

This is the first period that the company has presented its results and financial position in accordance with FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015.

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.

14. ULTIMATE PARENT COMPANY

Nanigans, Inc. (incorporated in USA) is regarded by the director as being the company's ultimate parent company. It's registered office is 60 State St. 12th floor, Suit # 1225, Boston MA 2111.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Ricardo Calvillo, Jr.