

REGISTERED NUMBER: 09456383 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2017
for
NERUDIA CONSULTING LIMITED**



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for the Year Ended 31 December 2017**

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NERUDIA CONSULTING LIMITED

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:	T M Williams J M Downing
SECRETARY:	T M Williams
REGISTERED OFFICE:	Wellington House Physics Road Speke Liverpool L24 9HP
REGISTERED NUMBER:	09456383 (England and Wales)
AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of development work and business management consultancy within the e-cigarette industry.

DIRECTORS

The directors who have held office during the period from 1 January 2017 to the date of this report are as follows:

C J Lord - resigned 23 October 2017
D T Newns - resigned 23 October 2017
T M Williams - appointed 23 October 2017
J M Downing - appointed 23 October 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Report of the Directors
for the Year Ended 31 December 2017**

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:

A handwritten signature in black ink, appearing to read 'T M Williams', is written over a dotted line.

T M Williams - Director

Date: 28 September 2018

Report of the Independent Auditors to the Members of Nerudia Consulting Limited

Opinion

In our opinion, Nerudia Consulting Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; the notes to the cash flow statement; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Independent Auditors to the Members of Nerudia Consulting Limited

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report

Use of our report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Companies Act 2006 exemption reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Report of the Independent Auditors to the Members of
Nerudia Consulting Limited**

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Simon White BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Hardman Square
Manchester
M3 3EB

Date: *28 September 2018*

NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Income Statement
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
TURNOVER		1,806,858	3,276,456
Cost of sales		<u>229,899</u>	<u>672,851</u>
GROSS PROFIT		1,576,959	2,603,605
Administrative expenses		<u>1,163,251</u>	<u>1,740,068</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		413,708	863,537
Tax on profit	6	<u>81,867</u>	<u>167,047</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>331,841</u></u>	<u><u>696,490</u></u>

All amounts relate to continuing activities.

The notes form part of these financial statements

NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Statement of Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		331,841	696,490
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>331,841</u>	<u>696,490</u>

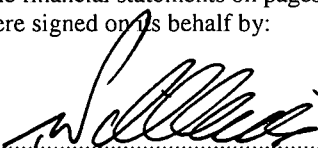
The notes form part of these financial statements


NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Balance Sheet
31 December 2017**

	Notes	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	8	25,466	30,633
CURRENT ASSETS			
Stocks	9	-	78,427
Debtors	10	331,883	349,207
Cash at bank		<u>79,299</u>	<u>78,982</u>
		411,182	506,616
CREDITORS			
Amounts falling due within one year	11	<u>24,677</u>	<u>457,119</u>
NET CURRENT ASSETS		<u>386,505</u>	<u>49,497</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u><u>411,971</u></u>	<u><u>80,130</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Retained earnings	13	<u>411,871</u>	<u>80,030</u>
SHAREHOLDERS' FUNDS		<u><u>411,971</u></u>	<u><u>80,130</u></u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 28 September 2018 and were signed on its behalf by:


.....
T M Williams - Director


.....
J M Downing - Director

The notes form part of these financial statements

NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	100	74,494	74,594
Changes in equity			
Dividends	-	(690,954)	(690,954)
Total comprehensive income	<u>-</u>	<u>696,490</u>	<u>696,490</u>
Balance at 31 December 2016	<u>100</u>	<u>80,030</u>	<u>80,130</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>331,841</u>	<u>331,841</u>
Balance at 31 December 2017	<u><u>100</u></u>	<u><u>411,871</u></u>	<u><u>411,971</u></u>

The notes form part of these financial statements

NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Cash Flow Statement
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	90,935	978,111
Tax paid		<u>(81,867)</u>	<u>(167,047)</u>
Net cash from operating activities		<u>9,068</u>	<u>811,064</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		-	(10,283)
Purchase of tangible fixed assets		<u>(8,751)</u>	<u>(37,677)</u>
Net cash from investing activities		<u>(8,751)</u>	<u>(47,960)</u>
 Cash flows from financing activities			
Equity dividends paid		<u>-</u>	<u>(690,954)</u>
Net cash from financing activities		<u>-</u>	<u>(690,954)</u>
 Increase in cash and cash equivalents		<u>317</u>	<u>72,150</u>
Cash and cash equivalents at beginning of year	2	78,982	6,832
 Cash and cash equivalents at end of year	2	<u><u>79,299</u></u>	<u><u>78,982</u></u>

The notes form part of these financial statements

NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	413,708	863,537
Depreciation charges	13,918	8,563
Loss on disposal of fixed assets	<u>-</u>	<u>10,283</u>
	427,626	882,383
Decrease/(increase) in stocks	78,427	(78,427)
Decrease/(increase) in trade and other debtors	17,324	(128,939)
(Decrease)/increase in trade and other creditors	<u>(432,442)</u>	<u>303,094</u>
Cash generated from operations	<u><u>90,935</u></u>	<u><u>978,111</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u><u>79,299</u></u>	<u><u>78,982</u></u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>78,982</u></u>	<u><u>6,832</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

Nerudia Consulting 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.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The accounting policies have been applied consistently, other than where new policies have been adopted.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 15% on reducing balance

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 material 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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. **EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	723,255	398,526
Social security costs	123,302	44,069
Other pension costs	<u>21,701</u>	<u>6,150</u>
	<u>868,258</u>	<u>448,745</u>

The average number of employees during the year was as follows:

	2017	2016
Consulting	<u>13</u>	<u>8</u>

Employees are on the payroll of Nerudia Limited and salary costs are recharged to Nerudia Consulting Limited.

	2017	2016
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2017	2016
	£	£
Hire of plant and machinery	-	180
Other operating leases	18,322	-
Depreciation - owned assets	13,918	8,563
Loss on disposal of fixed assets	-	10,283
Auditors' remuneration	<u>-</u>	<u>4,500</u>

The audit fee is borne by another group company.

6. **TAXATION**

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
Group loss relief	<u>81,867</u>	<u>167,047</u>
Tax on profit	<u>81,867</u>	<u>167,047</u>

7. **DIVIDENDS**

	2017	2016
	£	£
Ordinary shares of £1 each		
Interim - paid	<u>-</u>	<u>690,954</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

8. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2017	39,196
Additions	<u>8,751</u>
At 31 December 2017	<u>47,947</u>
DEPRECIATION	
At 1 January 2017	8,563
Charge for year	<u>13,918</u>
At 31 December 2017	<u>22,481</u>
NET BOOK VALUE	
At 31 December 2017	<u>25,466</u>
At 31 December 2016	<u>30,633</u>

9. STOCKS

	2017 £	2016 £
Work-in-progress	<u>-</u>	<u>78,427</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	13,927	313,458
Amounts owed by group undertakings	301,009	-
VAT	2,848	32,612
Prepayments	<u>14,099</u>	<u>3,137</u>
	<u>331,883</u>	<u>349,207</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	19,597	248,829
Amounts owed to group undertakings	-	110,000
Accrued expenses	<u>5,080</u>	<u>98,290</u>
	<u>24,677</u>	<u>457,119</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NERUDIA CONSULTING LIMITED (REGISTERED NUMBER: 09456383)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

13. RESERVES

	Retained earnings £
At 1 January 2017	80,030
Profit for the year	<u>331,841</u>
At 31 December 2017	<u>411,871</u>

14. RELATED PARTY DISCLOSURES

At the year end, the company was due £301,009 from the parent company (2016 - it owed £110,000 to the parent company).

This amount is interest free and there are no fixed repayment terms.

15. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary of Nerudia Limited.

The ultimate holding company is Imperial Brands plc. The address from which group financial statements can be obtained is:

121 Winterstoke Road, Bristol, BS23 2LL