

UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

SECOND NATURE
LIMITED



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SECOND NATURE LIMITED

COMPANY INFORMATION

Directors	T Schragger R Schragger
Registered number	01594736
Registered office	10 Malton Road London W10 5UP
Accountants	Menzies LLP Chartered Accountants Lynton House 7-12 Tavistock Square London WC1H 9LT
Bankers	HSBC Bank Plc 21 Kings Mall Kings Street London W6 0QF

SECOND NATURE LIMITED

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SECOND NATURE LIMITED

REGISTERED NUMBER:01594736

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	4		10,072		8,490
Investments	5		110,000		110,000
			<u>120,072</u>		<u>118,490</u>
Current assets					
Stocks		1,137,906		1,191,156	
Debtors: amounts falling due within one year	6	1,056,187		1,512,399	
Cash at bank and in hand		357,497		231,089	
		<u>2,551,590</u>		<u>2,934,644</u>	
Creditors: amounts falling due within one year	7	(1,539,286)		(1,881,255)	
Net current assets			<u>1,012,304</u>		<u>1,053,389</u>
Total assets less current liabilities			<u>1,132,376</u>		<u>1,171,879</u>
Creditors: amounts falling due after more than one year	8		(73,308)		(182,914)
Net assets			<u><u>1,059,068</u></u>		<u><u>988,965</u></u>
Capital and reserves					
Called up share capital			171,470		171,470
Profit and loss account			887,598		817,495
			<u><u>1,059,068</u></u>		<u><u>988,965</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act.

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.

SECOND NATURE LIMITED
REGISTERED NUMBER:01594736

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

The Company has opted not to file the profit and loss account in accordance with the provisions applicable to companies subject to small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

T Schragger
Director

Date: 18 May 2017



R Schragger
Director



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

SECOND NATURE LIMITED

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

1. General information

Second Nature Limited is a private company, limited by shares, registered in England and Wales, registration number 01594736.

The registered office is 10 Malton Road, London, W10 5UP.

The principal activity of the company is set out in the Directors' Report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared 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:

2.2 Going concern

The directors deem it appropriate to prepare the accounts on a going concern basis.

2.3 Consolidation

In the opinion of the directors, the company and its subsidiaries comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

2.5 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.

SECOND NATURE LIMITED

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

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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.

The estimated useful lives range as follows:

Leasehold alterations	- Straight line over 5 years
Plant and machinery	- Straight line over 1-4 years
Motor vehicles	- Straight line over 3 years
Fixtures and fittings	- Straight line over 2-4 years

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 Valuation of 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, after making due allowance for obsolete and slow moving items.

At each reporting 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.

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 instruments 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.

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.

SECOND NATURE LIMITED

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

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 Income Statement 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.

2.14 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 payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 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 reporting date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 44 (2015 -42).

SECOND NATURE LIMITED

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

4. Tangible fixed assets

	Land and buildings £	Other plant and machinery £	Total £
Cost or valuation			
At 1 January 2016	417,810	810,789	1,228,599
Additions	-	9,419	9,419
At 31 December 2016	417,810	820,208	1,238,018
Depreciation			
At 1 January 2016	417,810	802,299	1,220,109
Charge for period on owned assets	-	7,837	7,837
At 31 December 2016	417,810	810,136	1,227,946
Net book value			
At 31 December 2016	-	10,072	10,072
At 31 December 2015	-	8,490	8,490

SECOND NATURE LIMITED

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

5. Fixed asset investments

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 January 2016	1	110,000	110,001
At 31 December 2016	1	110,000	110,001
Impairment			
At 1 January 2016	1	-	1
At 31 December 2016	1	-	1
Net book value			
At 31 December 2016	-	110,000	110,000
At 31 December 2015	-	110,000	110,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Second Nature Inc.	USA	Ordinary	100 %	Greetings cards

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Second Nature Inc.	99,318	12,889
	99,318	12,889

SECOND NATURE LIMITED

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

6. Debtors

	2016 £	2015 £
Trade debtors	732,324	896,134
Amounts owed by group undertakings	182,735	409,516
Other debtors	16,337	17,367
Prepayments and accrued income	124,791	189,382
	<u>1,056,187</u>	<u>1,512,399</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	401,547
Trade creditors	1,037,296	1,122,429
Amounts owed to group undertakings	10,681	-
Corporation tax	13,551	-
Taxation and social security	198,641	106,288
Other creditors	146,616	206,943
Accruals and deferred income	132,501	44,048
	<u>1,539,286</u>	<u>1,881,255</u>

Included in bank overdrafts are advances on trade debtors of £nil (2015: £401,547), which are secured.

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	73,308	182,914
	<u>73,308</u>	<u>182,914</u>

9. 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 £43,146 (2015: £37,504).

SECOND NATURE LIMITED

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

10. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	47,138	-
Later than 1 year and not later than 5 years	158,333	360,532
	<u>205,471</u>	<u>360,532</u>
	2016 £	2015 £
Motor vehicles		
Not later than 1 year	6,636	3,807
Later than 1 year and not later than 5 years	37,713	38,047
	<u>44,349</u>	<u>41,854</u>

11. Ultimate parent company

The company is a wholly owned subsidiary of Second Nature (Holdings) Limited, a company incorporated in the United Kingdom, whose registered office and principal place of business is 10 Malton Road, London, W10 5UP.

12. 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.

A presentation adjustment has been made to the disclosure of intercompany loan balances, in moving them from being due after one year to being due within one year.