

CYDEN LIMITED
4470941

ABBREVIATED ACCOUNTS

31 DECEMBER 2012

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COMPANIES HOUSE



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CYDEN LIMITED

INDEPENDENT AUDITORS' REPORT TO CYDEN LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of Cyden Limited for the year ended 31 December 2012 prepared under section 396 of the Companies Act 2006

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, 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.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

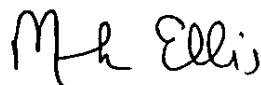
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444 of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

OTHER INFORMATION

On 10 June 2013 we reported as auditors to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph:

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The going concern assumption adopted is supported by forecasts which rely on the ongoing support of both the company's shareholders through an injection of funds, and its major customer Proctor and Gamble through the successful renegotiation of the terms of the working capital loan, together with the achievement of the anticipated level of sales growth. Together these indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments which could result if the company was unable to continue as a going concern.



Mark Ellis (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Swansea

10 June 2013

CYDEN LIMITED
REGISTERED NUMBER. 04470941

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Intangible assets	2		665		586
Tangible assets	3		336		379
			<u>1,001</u>		<u>965</u>
CURRENT ASSETS					
Stocks		745		925	
Debtors		856		5,416	
Cash at bank		1,747		721	
		<u>3,348</u>		<u>7,062</u>	
CREDITORS amounts falling due within one year	4	(1,119)		(1,906)	
NET CURRENT ASSETS			<u>2,229</u>		<u>5,156</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,230</u>		<u>6,121</u>
CREDITORS amounts falling due after more than one year	5		(2,041)		(2,141)
PROVISIONS FOR LIABILITIES					
Other provisions			(222)		(109)
NET ASSETS			<u>967</u>		<u>3,871</u>
CAPITAL AND RESERVES					
Called up share capital	6		257		254
Share premium account			20,386		20,386
Profit and loss account			(19,676)		(16,769)
SHAREHOLDERS' FUNDS			<u>967</u>		<u>3,871</u>

The directors acknowledge their responsibilities for

a) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

b) preparing financial statements which comply with the requirements of the Companies Act 2006 relating to the preparation of accounts, so far as applicable to the company

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 10 June 2013



G Davies
Director

The notes on pages 3 to 7 form part of these financial statements

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The company is the parent undertaking of a small group and as such has taken advantage of the exemption available under the Companies Act 2006 to prepare consolidated financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The financial position of the company, liquidity and borrowing facilities are shown in the financial statements. In summary, the company has incurred significant losses over a number of years as it continues to invest in light based cosmetic devices addressing hair removal and other consumer markets, in order to deliver its strategy of commercialising relevant technology. During this time the company has required significant financial support from its shareholders through equity funding, and from its major current customer, Proctor & Gamble, through a working capital loan, of which £1,982,000 is outstanding at 31 December 2012.

The directors continually review the company's cost base and the future liquidity requirements, and have produced sensitised forecasts covering the 12 months from the date of approving the financial statements. The principal assumptions in the forecast are:

- the injection of funds from the shareholders, who have indicated their willingness and ability to provide funding during the next 12 months at the level required in the forecasts,
- the successful renegotiation of the terms of repayment of the working capital loan from Proctor & Gamble, which is currently on-going, and
- the achievement of the level of sales growth included in the forecast which is based on a mix of new and existing products in line with budgeted volumes which is currently being negotiated with a range of customers.

Based on these forecasts, the directors have a reasonable expectation that, with ongoing support, the company has adequate resources to continue in operational existence for the foreseeable future.

However, material uncertainties exist in respect of the principal assumptions set out above, which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments which could result if the company was unable to continue as a going concern.

1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on despatch of the goods to the customer.

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES (continued)

1.5 Intangible fixed assets and amortisation - patents

Intangible fixed assets which represent patents are stated at cost less accumulated amortisation. Patents are amortised over six years, which is the directors' estimate of their useful life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost which is their purchase price together with any incidental costs of acquisition, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following straight line bases:

Plant & machinery	-	5 years
Fixtures & fittings	-	5 years
Office equipment	-	5 years

1.7 Impairment

Tangible and intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recordable. The review assesses across the recoverable amount by reference to the net present value of expected future cash flows of the relevant income generating unit, or disposal value if higher. The discount rate applied for the period was based on the company's weighted average cost of capital, after appropriate adjustment for risk.

1.8 Investments

Fixed asset investments are stated at the lower of cost or net realisable value less any permanent diminution in value.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and, where required, an appropriate proportion of fixed and variable overheads. In general, cost is determined on a first in first out basis.

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES (continued)

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.13 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project, which typically is deemed to be 5 years

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account. Expenditure on product research and development is written off to the Profit and loss account in the year in which it is incurred

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.15 Share based incentives

In accordance with FRS20, the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight line basis over the vesting period, based on the group's estimate of shares or options that will eventually vest. In the case of options granted, fair value is measured by a Black-Scholes pricing model

CYDEN LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2. INTANGIBLE FIXED ASSETS

	£000
Cost	
At 1 January 2012	785
Additions	367
Disposals	(290)
At 31 December 2012	<u>862</u>
Amortisation	
At 1 January 2012	199
Charge for the year	191
On disposals	(193)
At 31 December 2012	<u>197</u>
Net book value	
At 31 December 2012	<u>665</u>
At 31 December 2011	<u>586</u>

3. TANGIBLE FIXED ASSETS

	£000
Cost	
At 1 January 2012	570
Additions	57
At 31 December 2012	<u>627</u>
Depreciation	
At 1 January 2012	191
Charge for the year	100
At 31 December 2012	<u>291</u>
Net book value	
At 31 December 2012	<u>336</u>
At 31 December 2011	<u>379</u>

4 CREDITORS

Amounts falling due within one year

Included within creditors amounts falling due within one year are bank loans of £25,000 (2011 £25,000), which have interest charged upon them at 3.2% above base rate per annum and are secured by a charge over the assets of the company

CYDEN LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5 CREDITORS

Amounts falling due after more than one year	2012 £000	2011 £000
	2012 £000	2011 £000
Bank loans	59	87
Other loans	1,982	2,054
Total	<u>2,041</u>	<u>2,141</u>

The bank loan has interest charged at 3 2% above base rate per annum and is secured by a charge over the assets of the company

The other loan represents an advance from Proctor & Gamble which is interest free and unsecured

6. SHARE CAPITAL

	2012 £000	2011 £000
Allotted, called up and fully paid		
7,983,589 (2011 7,983,589) Preferred ordinary shares of £0 01 each	80	80
3,818,854 (2011 3,818,854) Ordinary "A" shares of £0 01 each	38	38
9,708,751 (2011 9,452,551) Ordinary "B" shares of £0 01 each	97	95
4,169,014 (2011 4,136,714) Preferred "B" ordinary shares of £0 01 each	42	41
	<u>257</u>	<u>254</u>

During the year, the company issued a further 288,500 shares (256,200 B Ordinary and 32,300 B Preferred ordinary shares) The total consideration received for the shares was £2,885