

**REGISTERED NUMBER: 04470941 (England and Wales)**

**CYDEN LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**CYDEN LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**DIRECTORS:**

C D Outram  
N R Rudd  
E H Fitzwilliam Lay  
R M Clement  
A M C Avis  
G Davies

**SECRETARY:**

G Davies

**REGISTERED OFFICE:**

Technium 2  
Kings Road  
Swansea  
SA1 8PJ

**REGISTERED NUMBER:**

04470941 (England and Wales)

**AUDITORS:**

Bevan & Buckland  
Chartered Accountants  
And Statutory Auditors  
Langdon House  
Langdon Road  
SA1 Swansea Waterfront  
Swansea  
SA1 8QY

**BALANCE SHEET**  
**31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>					
Intangible assets	4		560,033		456,368
Tangible assets	5		463,563		422,545
Investments	6		<u>1</u>		<u>1</u>
			1,023,597		878,914
<b>CURRENT ASSETS</b>					
Stocks		316,077		434,526	
Debtors	7	4,347,860		2,558,086	
Cash at bank		<u>963,597</u>		<u>847,033</u>	
		5,627,534		3,839,645	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>6,926,029</u>		<u>6,090,738</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,298,495)</u>		<u>(2,251,093)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(274,898)		(1,372,179)
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		-		(5,666)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(652,076)</u>		<u>(525,892)</u>
<b>NET LIABILITIES</b>			<u>(926,974)</u>		<u>(1,903,737)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			256,779		256,779
Share premium			20,386,095		20,386,095
Retained earnings			<u>(21,569,848)</u>		<u>(22,546,611)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(926,974)</u>		<u>(1,903,737)</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 31 May 2017 and were signed on its behalf by:

G Davies - Director

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

**1. STATUTORY INFORMATION**

CyDen 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. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company is both a parent and subsidiary 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.

**Related party exemption**

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.

**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.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

An impairment loss has been recognised in the Income Statement, following an assessment at the Balance Sheet date indicating the recoverable amount was less than its carrying value.

Patents and licences are being amortised evenly over their estimated useful life of six years.

Development costs are being amortised evenly over their estimated useful life of five years.

Computer software is being amortised evenly over its estimated useful life of five years.

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

2. ACCOUNTING POLICIES - continued

**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 - 20% on cost

Fixtures and fittings - 20% on cost

Computer equipment - 20% on cost

**Impairment**

Tangible and intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The review assesses 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.

**Fixed asset investments**

Fixed asset investments are valued at fair value unless fair value cannot be measured reliably, in which case investments are valued at cost less impairment.

**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.

**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.

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

**2. ACCOUNTING POLICIES - continued**

**External 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 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 income statement. Expenditure on product research and development is written off to the income statement in the year in which it is incurred.

R&D tax credits are recognised on an accruals basis and are included as an income tax credit under current assets.

**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 using a monthly average exchange rate. If exchange rates fluctuate significantly in the month 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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**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.

**Deferred income**

Contributions received towards development costs are recognised in the period that development expenditure is incurred.

**Warranty Provision**

The company provides a 3 year warranty to account for the cost of the warranty. A range of 2 - 20% of turnover is as provided. Once the product is >3 years old the warranty provision is released.

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

**2. ACCOUNTING POLICIES - continued****Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Creditors**

Short term creditors are measured at the transaction price. Bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Provisions for liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Functional and presentation currency**

The company's functional and presentational currency is pounds sterling.

**Transition to FRS 102**

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102 Section 1A small entities. On transition to FRS 102, Computer Software was reclassified as intangible assets, with no impact on retained earnings. No other adjustments were made to the opening balances at the date of transition or the comparative year. The transition date was 1 January 2015.

**Going concern**

The financial position of the group, liquidity and borrowing facilities are shown in the financial statements on pages 6 to 15. In summary, Cyden Limited 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 Cyden Ltd has required significant financial support from its shareholders through equity funding and from a major current customer, P&G, through the deferring repayment of an advance of £1,457,561.

However, Cyden's recent trading has improved and the company is now profitable. The repayment of the advance has been contractually agreed to the satisfaction of both parties and repayment commenced in early 2016.

This has given the directors confidence that Cyden has adequate resources to continue in operational existence for the foreseeable future

**3. AUDITORS' REMUNERATION**

	2016 £	2015 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>8,500</u>	<u>8,250</u>
Total audit fees	<u>8,500</u>	<u>8,250</u>
Auditors' remuneration for non audit work	<u>20,033</u>	<u>9,525</u>
Total non-audit fees	<u>20,033</u>	<u>9,525</u>
Total fees payable	<u>28,533</u>	<u>17,775</u>



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

## 4. INTANGIBLE FIXED ASSETS

	Patents and licences £	Development costs £	Computer software £	Totals £
<b>COST</b>				
At 1 January 2016	41,018	1,064,594	39,146	1,144,758
Additions	-	260,658	11,800	272,458
At 31 December 2016	<u>41,018</u>	<u>1,325,252</u>	<u>50,946</u>	<u>1,417,216</u>
<b>AMORTISATION</b>				
At 1 January 2016	27,433	627,685	33,272	688,390
Amortisation for year	4,738	159,466	4,589	168,793
At 31 December 2016	<u>32,171</u>	<u>787,151</u>	<u>37,861</u>	<u>857,183</u>
<b>NET BOOK VALUE</b>				
At 31 December 2016	<u>8,847</u>	<u>538,101</u>	<u>13,085</u>	<u>560,033</u>
At 31 December 2015	<u>13,585</u>	<u>436,909</u>	<u>5,874</u>	<u>456,368</u>

## 5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2016	779,688	80,639	184,573	1,044,900
Additions	169,774	467	25,931	196,172
At 31 December 2016	<u>949,462</u>	<u>81,106</u>	<u>210,504</u>	<u>1,241,072</u>
<b>DEPRECIATION</b>				
At 1 January 2016	396,168	66,705	159,482	622,355
Charge for year	120,807	10,666	23,681	155,154
At 31 December 2016	<u>516,975</u>	<u>77,371</u>	<u>183,163</u>	<u>777,509</u>
<b>NET BOOK VALUE</b>				
At 31 December 2016	<u>432,487</u>	<u>3,735</u>	<u>27,341</u>	<u>463,563</u>
At 31 December 2015	<u>383,520</u>	<u>13,934</u>	<u>25,091</u>	<u>422,545</u>

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

## 6. FIXED ASSET INVESTMENTS

	Other investments £
<b>COST</b>	
At 1 January 2016 and 31 December 2016	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>1</u>
At 31 December 2015	<u>1</u>

The company's investment is the 100% holding of the ordinary share capital of MC500 Limited, a dormant company.

## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	3,646,517	1,758,762
Amounts owed by group undertakings	152,090	39,858
Other debtors	<u>549,253</u>	<u>759,466</u>
	<u>4,347,860</u>	<u>2,558,086</u>

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts	5,666	17,003
Trade creditors	3,411,730	2,382,548
Amounts owed to group undertakings	1,281,853	1,795,366
Taxation and social security	93,444	72,185
Other creditors	<u>2,133,336</u>	<u>1,823,636</u>
	<u>6,926,029</u>	<u>6,090,738</u>

Included in other creditors is an advance from Proctor and Gamble of £1,457,561 (2015: £1,557,910).

The advance is interest free and repayable on demand in full. However, under the agreement the company will repay \$4 per unit sold to Proctor and Gamble and the advance must be repaid no later than 01/09/2018.

## 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Bank loans	<u>-</u>	<u>5,666</u>

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

**10. LEASING AGREEMENTS**

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

	2016 £	2015 £
Within one year	64,013	-
Between one and five years	64,013	-
	<u>128,026</u>	<u>-</u>

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdraft	-	3
Bank loans	5,666	22,666
Amounts owed to group	<u>1,289,063</u>	<u>1,795,366</u>
	<u>1,294,729</u>	<u>1,818,035</u>

The bank loan has an interest charged at 3.2% above base rate per annum and is secured by a charge over the assets of the company dated 15/03/2012. Repayments are made monthly and the loan will be fully repaid in April 2017.

Bank Securities

Fixed and floating charge over the undertaking and all property and assets present and future dated 28/09/2011.

Limited guarantee of £87,833 dated 15/03/2012.

Amounts owed to group undertakings

A fixed and floating charge over all intellectual property rights now or in the future belonging to the company or undertaking of the company.

**12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Alison Vickers (Senior Statutory Auditor)  
for and on behalf of Bevan & Buckland

**13. CAPITAL COMMITMENTS**

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>33,222</u>

**14. ULTIMATE CONTROLLING PARTY**

There is considered by the directors to be no ultimate controlling party of Cyden Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.