

Registration number: 04722592

**LAVENDER COSMETICS LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

Hazlewoods LLP  
Chartered Accountants  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT



## **LAVENDER COSMETICS LIMITED**

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# LAVENDER COSMETICS LIMITED

(REGISTRATION NUMBER: 04722592)  
BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	3	3,078	4,403
Investments	4	<u>3,140,339</u>	<u>3,092,339</u>
		<u>3,143,417</u>	<u>3,096,742</u>
<b>Current assets</b>			
Debtors	5	12,429	12,429
Cash at bank and in hand		<u>410</u>	<u>27,480</u>
		12,839	39,909
Creditors: Amounts falling due within one year	6	<u>(756,667)</u>	<u>(605,180)</u>
Net current liabilities		<u>(743,828)</u>	<u>(565,271)</u>
Total assets less current liabilities		2,399,589	2,531,471
Creditors: Amounts falling due after more than one year	6	<u>(315,009)</u>	<u>(468,038)</u>
Net assets		<u>2,084,580</u>	<u>2,063,433</u>
<b>Capital and reserves</b>			
Called up share capital		80,398	80,398
Profit and loss account		<u>2,004,182</u>	<u>1,983,035</u>
Total equity		<u>2,084,580</u>	<u>2,063,433</u>

For the financial year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 23/5/18

  
L. Van Bakkum  
Director

The notes on pages 3 to 8 form an integral part of these financial statements.

**LAVENDER COSMETICS LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 September 2016	80,398	1,983,035	2,063,433
Profit for the year	-	21,147	21,147
At 31 August 2017	<u>80,398</u>	<u>2,004,182</u>	<u>2,084,580</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 September 2015	80,398	1,971,233	2,051,631
Profit for the year	-	11,802	11,802
At 31 August 2016	<u>80,398</u>	<u>1,983,035</u>	<u>2,063,433</u>

The notes on pages 3 to 8 form an integral part of these financial statements.

## **LAVENDER COSMETICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

#### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Judgements and estimation uncertainty**

These financial statements do not contain any significant judgements or estimation uncertainty.

##### **Intangible assets**

Product development costs and trademark costs are capitalised and amortised over a period of four years.

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

## **LAVENDER COSMETICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **LAVENDER COSMETICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### ***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

# LAVENDER COSMETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Intangible assets

	Internally generated software development costs £
<b>Cost</b>	
At 1 September 2016	68,362
At 31 August 2017	68,362
<b>Amortisation</b>	
At 1 September 2016	63,959
Amortisation charge	1,325
At 31 August 2017	65,284
<b>Carrying amount</b>	
At 31 August 2017	3,078
At 31 August 2016	4,403

### 4 Investments

	2017 £	2016 £
Investments in subsidiaries	3,140,339	3,092,339
<b>Subsidiaries</b>		£
<b>Cost</b>		
At 1 September 2016		3,092,339
Additions		48,000
At 31 August 2017		3,140,339
<b>Carrying amount</b>		
At 31 August 2017		3,140,339
At 31 August 2016		3,092,339



# LAVENDER COSMETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Susan Molyneux Cosmetics Limited	Windsor House Bayshill Road Cheltenham GL50 3AT	Ordinary A and B shares	100%	100%

The principal activity of Susan Molyneux Cosmetics Limited is Manufacture and sales of cosmetics

### 5 Debtors

	2017 £	2016 £
Other debtors	<u>12,429</u>	<u>12,429</u>

### 6 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings	7	154,324	114,112
Amounts due to related parties	8	590,056	441,325
Other creditors		3,426	46,130
Corporation tax liability		<u>8,861</u>	<u>3,613</u>
		<u>756,667</u>	<u>605,180</u>
<b>Due after one year</b>			
Loans and borrowings	7	227,500	357,500
Other non-current financial liabilities		<u>87,509</u>	<u>110,538</u>
		<u>315,009</u>	<u>468,038</u>

# **LAVENDER COSMETICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

### **7 Loans and borrowings**

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Bank borrowings	130,000	114,112
Other borrowings	<u>24,324</u>	<u>-</u>
	<u>154,324</u>	<u>114,112</u>

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>227,500</u>	<u>357,500</u>

### **8 Related party transactions**

#### **Other related party transactions**

During the year the company made the following related party transactions:

#### **Susan Molyneux Cosmetics Limited**

(a wholly owned subsidiary)

During the year, management charges of £37,800 (2016 -£37,800), product licence fees of £22,200 (2016 - £22,200) and dividends of £nil (2016 - £nil) were received from Susan Molyneux Cosmetics Limited. During the year Susan Molyneux Cosmetics also repaid £nil (2016 - £nil) to the company. At the balance sheet date the amount due to Susan Molyneux Cosmetics was £590,056 (2016 - £441,325.)

#### **L Van Bekkum**

(Director)

At the balance sheet date the amount due to L Van Bekkum was £24,324 (2016 - £41,735).