

REGISTERED NUMBER: 08874260 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
SUMIRAGO LIMITED**

SUMIRAGO LIMITED (REGISTERED NUMBER: 08874260)

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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SUMIRAGO LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:

Z Matta
L Jabbour Matta

REGISTERED OFFICE:

259a Pavilion Road
London
SW1W 0BP

REGISTERED NUMBER:

08874260 (England and Wales)

ACCOUNTANTS:

Civvals Limited
50 Seymour Street
London
W1H 7JG

BALANCE SHEET
31 DECEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|--------------------|------------------|--------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 4 | | 84,009 | | 210,022 |
| Tangible assets | 5 | | <u>640,369</u> | | <u>1,312,453</u> |
| | | | 724,378 | | 1,522,475 |
| CURRENT ASSETS | | | | | |
| Stocks | | 373,562 | | 286,090 | |
| Debtors | 6 | 1,132,325 | | 1,238,920 | |
| Cash at bank and in hand | | <u>21,070</u> | | <u>89,203</u> | |
| | | 1,526,957 | | 1,614,213 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | <u>8,288,496</u> | | <u>7,351,386</u> | |
| NET CURRENT LIABILITIES | | | <u>(6,761,539)</u> | | <u>(5,737,173)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(6,037,161)</u> | | <u>(4,214,698)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 300,001 | | 300,001 |
| Retained earnings | | | <u>(6,337,162)</u> | | <u>(4,514,699)</u> |
| SHAREHOLDERS' FUNDS | | | <u>(6,037,161)</u> | | <u>(4,214,698)</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

BALANCE SHEET - continued
31 DECEMBER 2017

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 27 September 2018 and were signed on its behalf by:

Z Matta - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

Sumirago 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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 financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on shareholders' funds at the year end.

The company's parent company, Boutique 1 (London) Limited, has confirmed that it will continue to provide financial support to the company for a period up to one year from the date of the approval of the financial statements.

For this reason the directors believe that the continued use of the going concern basis of preparation is appropriate. The financial statements do not include any adjustments that may be necessary if the company was unable to continue its business.

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.

Significant judgements and 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.

Turnover

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

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.

Franchise - amount paid in connection with the acquisition of a lease in 2014, is being amortised evenly over its estimated useful life of 4 years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

| | |
|--------------------------------|----------------------------|
| Short leasehold | Over the term of the lease |
| Fixtures, fittings & equipment | 20% on cost |

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell. The cost of these stock are measured by using the first-in, first-out (FIFO) or weighted average cost formula and the same cost formula has been used for all stock items having a similar nature and use.

At each reporting date, stocks are assessed to determine whether a provision for any impairment is required by comparing the carrying amount of each item of stock (or group of similar items) with its selling price less costs to sell.

If an item of stock (or group of similar items) is impaired, the carrying amount of the stock (or the group of similar items) is reduced to its selling price less costs to sell. That reduction is an impairment loss and it is recognised immediately in profit or loss

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 accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash and other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

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.

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 at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

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.

Debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowance for doubtful debts.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2016 - 12) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

4. INTANGIBLE FIXED ASSETS

| | Franchise £ |
|-----------------------|----------------|
| COST | |
| At 1 January 2017 | |
| and 31 December 2017 | <u>556,557</u> |
| AMORTISATION | |
| At 1 January 2017 | 346,535 |
| Amortisation for year | <u>126,013</u> |
| At 31 December 2017 | <u>472,548</u> |
| NET BOOK VALUE | |
| At 31 December 2017 | <u>84,009</u> |
| At 31 December 2016 | <u>210,022</u> |

5. TANGIBLE FIXED ASSETS

| | Short leasehold £ | Fixtures, fittings&equipment £ | Totals £ |
|-----------------------|-------------------------|--------------------------------------|------------------|
| COST | | | |
| At 1 January 2017 | 2,216,682 | 53,305 | 2,269,987 |
| Additions | - | 4,478 | 4,478 |
| At 31 December 2017 | <u>2,216,682</u> | <u>57,783</u> | <u>2,274,465</u> |
| DEPRECIATION | | | |
| At 1 January 2017 | 942,090 | 15,444 | 957,534 |
| Charge for year | <u>665,005</u> | <u>11,557</u> | <u>676,562</u> |
| At 31 December 2017 | <u>1,607,095</u> | <u>27,001</u> | <u>1,634,096</u> |
| NET BOOK VALUE | | | |
| At 31 December 2017 | <u>609,587</u> | <u>30,782</u> | <u>640,369</u> |
| At 31 December 2016 | <u>1,274,592</u> | <u>37,861</u> | <u>1,312,453</u> |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 53,305 | 76,401 |
| Amounts owed by group undertakings | 160,886 | 289,972 |
| Other debtors | 609,374 | 609,000 |
| VAT | - | 29,270 |
| Prepayments | <u>308,760</u> | <u>234,277</u> |
| | <u>1,132,325</u> | <u>1,238,920</u> |

Other debtors include an amount of £609,000 which relates to a rent deposit.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2016 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 327,772 | 45,718 |
| Amounts owed to group undertakings | 7,595,670 | 7,108,046 |
| Social security and other taxes | 7,809 | 6,155 |
| VAT | 56,217 | - |
| Other creditors | 289,479 | 182,355 |
| Directors' current accounts | 548 | 362 |
| Accrued expenses | 11,001 | 8,750 |
| | <u>8,288,496</u> | <u>7,351,386</u> |

8. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2017 and 31 December 2016:

| | 2017 | 2016 |
|--------------------------------------|--------------|--------------|
| | £ | £ |
| Z Matta | | |
| Balance outstanding at start of year | (362) | - |
| Amounts advanced | (186) | (362) |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>(548)</u> | <u>(362)</u> |

9. RELATED PARTY DISCLOSURES

During the year, the company entered into the following transactions in the ordinary course of business, with other related parties in which directors have a controlling interest:

| | 2017 | 2016 |
|-------------------------|---------|--------|
| | £ | £ |
| Sales | 258,957 | 59,083 |
| Purchases | 28,729 | Nil |
| Loan interest paid | 14,860 | 32,632 |
| Management charges paid | 8,522 | 35,724 |

At 31 December 2017, other creditors include an amount of £289,479 (2016: £182,355) owed to the related party and no interest is accruing on this amount.

10. CONTROL AND ULTIMATE CONTROLLING PARTY

Boutique 1 (London) Limited is the parent company and controls the company by virtue of its 100% shareholdings. It is a private company, limited by shares, registered in England and Wales. Its principal place of business is 259a Pavilion Road, London SW1W 0BP

The ultimate controlling party throughout the year was Z Matta and L J Matta by virtue of their majority shareholdings in Boutique 1 (London) Limited.

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.