

DG MANAGEMENT (LONDON) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

DG MANAGEMENT (LONDON) LIMITED

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DG MANAGEMENT (LONDON) LIMITED
REGISTERED NUMBER:07329520

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	81,656	159,528
Current assets			
Stocks		219,470	157,958
Debtors: amounts falling due within one year	6	289,996	216,205
Cash at bank and in hand	7	198,292	135,974
		707,758	510,137
Creditors: amounts falling due within one year	8	(477,061)	(329,526)
Net current assets		230,697	180,611
Total assets less current liabilities		312,353	340,139
Provisions for liabilities			
Deferred tax	9	-	(8,809)
		-	(8,809)
Net assets		312,353	331,330
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account		311,353	330,330
		312,353	331,330

DG MANAGEMENT (LONDON) LIMITED
REGISTERED NUMBER:07329520

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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

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.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.

D W J Galvin
Director

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

DG MANAGEMENT (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

DG Management (London) Limited is a private company, limited by shares, domiciled in England and Wales, registration number 07329520. The registered office is Elsley Court, 20 - 22 Great Titchfield Street, London, W1W 8BE.

The principal activity of the company has continued to be that of operating a hair dressing salon specialising in hair colour and tinting as well as advising, consultancy and researching hair and colour, concession management and consultancy.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 Covid-19 disclosure note

The directors have assessed the impact of global business uncertainty arising from the COVID-19 virus. The directors have reviewed the financial circumstances of the company and confirmed that the company has sufficient cash reserves available to ensure that the company can continue to meet its financial obligations, as they fall due.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of

the consideration received or receivable, in respect of operating a hair dressing salon specialising in hair colour and tinting as well as advising, consultancy and researching hair and colour, concession management and consultancy, exclusive of value added tax.

2.4 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.

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.

Depreciation is provided on the following basis:

Salon improvements	-	over the term of the concession agreement
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

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 Profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet 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.

2.6 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.

2.7 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.

2.8 Financial instruments

The company only enters into basic financial instrument 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 ordinary shares.

2.9 Creditors

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

2.10 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

2.11 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 payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

DG MANAGEMENT (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 29 (2018 - 29).

4. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	7,486	5,547
	7,486	5,547
Total current tax	7,486	5,547
Deferred tax		
Origination and reversal of timing differences	(9,562)	(9,722)
Total deferred tax	(9,562)	(9,722)
Taxation on loss on ordinary activities	(2,076)	(4,175)

DG MANAGEMENT (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Loss on ordinary activities before tax	<u>(21,053)</u>	<u>(39,411)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(4,000)	(7,488)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	125	2,517
Capital allowances for year in excess of depreciation	11,361	10,518
Other differences leading to an increase (decrease) in the tax charge	<u>(9,562)</u>	<u>(9,722)</u>
Total tax charge for the year	<u>(2,076)</u>	<u>(4,175)</u>

5. Tangible fixed assets

	Salon improvements	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2019	328,216	62,264	21,995	412,475
Additions	-	278	-	278
At 31 December 2019	<u>328,216</u>	<u>62,542</u>	<u>21,995</u>	<u>412,753</u>
Depreciation				
At 1 January 2019	196,049	34,902	21,995	252,946
Charge for the year on owned assets	65,643	12,508	-	78,151
At 31 December 2019	<u>261,692</u>	<u>47,410</u>	<u>21,995</u>	<u>331,097</u>
Net book value				
At 31 December 2019	<u>66,524</u>	<u>15,132</u>	<u>-</u>	<u>81,656</u>
At 31 December 2018	<u>132,166</u>	<u>27,362</u>	<u>-</u>	<u>159,528</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Debtors

	2019	2018
	£	£
Trade debtors	246,955	209,863
Other debtors	37,026	1,684
Called up share capital not paid	1,000	1,000
Prepayments and accrued income	4,262	3,658
Deferred taxation	753	-
	<u>289,996</u>	<u>216,205</u>

7. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>198,292</u>	<u>135,974</u>

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	67,580	52,198
Corporation tax	7,486	5,547
Other taxation and social security	66,411	67,113
Other creditors	269,105	166,366
Accruals and deferred income	66,479	38,302
	<u>477,061</u>	<u>329,526</u>

9. Deferred taxation

	2019	2018
	£	£
At beginning of year	(8,809)	(18,531)
Charged to profit or loss	9,562	9,722
At end of year	<u>753</u>	<u>(8,809)</u>

DG MANAGEMENT (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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9. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	<u>753</u>	<u>(8,809)</u>

10. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1,000 (2018 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

11. Pension commitments

The company operates a defined contribution 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 £11,254 (2018 - £5,956).

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.