

Nicopure Labs Limited

Report and Financial Statements

Period Ended

31 December 2016

Company Number 09927564

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Nicopure Labs Limited

Company Information

Director	J Stamler
Registered number	09927564
Registered office	10 Aldersgate Street London England EC1A 4HJ
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Nicopure Labs Limited

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Nicopure Labs Limited

Director's Report For the Period Ended 31 December 2016

The director presents his report together with the audited financial statements for the period from 23 December 2015 to ended 31 December 2016.

The company was incorporated and began trading on 23 December 2015.

Principal activity

The principal activity of the company is the marketing of e-cigarette and e-liquid products.

Director

The director who served during the period was:

J Stamler (appointed 23 December 2015)

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:


- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *14th September 2017* and signed on its behalf.


J Stamler
Director

Nicopure Labs Limited

Director's Responsibilities Statement For the Period Ended 31 December 2016

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nicopure Labs Limited

Independent Auditor's Report to the Members of Nicopure Labs Limited

We have audited the financial statements of Nicopure Labs Limited for the period ended 31 December 2016 which comprise the statement of income and retained earnings, the statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Nicopure Labs Limited

Independent Auditor's Report to the Members of Nicopure Labs Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Nick Poulter (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Guildford
United Kingdom

18 SEPTEMBER 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Nicopure Labs Limited

Statement of Income and Retained Earnings For the Period Ended 31 December 2016

	Period from 23 December 2015 to 31 December 2016 £
Administrative expenses	(359,635)
Operating loss	<u>(359,635)</u>
Loss after tax	<u>(359,635)</u>
Loss for the period	(359,635)
Retained earnings at the end of the period	<u><u>(359,635)</u></u>

The notes on pages 7 to 11 form part of these financial statements.

Nicopure Labs Limited
Registered number:09927564

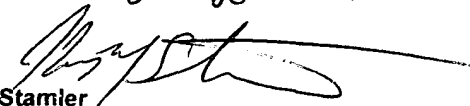
Statement of Financial Position
As at 31 December 2016

	Note	2016 £	2016 £
Current assets			
Debtors: amounts falling due within one year	5	20,036	
Cash and cash equivalents		19,699	
		<u>39,735</u>	
Creditors: amounts falling due within one year	6	<u>(399,369)</u>	
Net current liabilities			(359,634)
Total assets less current liabilities			<u>(359,634)</u>
Net liabilities			<u>(359,634)</u>
Capital and reserves			
Called up share capital	7		1
Profit and loss account			(359,635)
			<u>(359,634)</u>

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 were approved and authorised for issue by the board and were signed on its behalf on

14th September 2017


J. Stamier
Director

The notes on pages 7 to 11 form part of these financial statements.

Nicopure Labs Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

1. General information

Nicopure Labs Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are given in the directors' report.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies. There have not been any estimation uncertainties in the application of the accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The balance sheet discloses that the company had net current liabilities and net liabilities of £359,634 at the period end. The parent undertaking has confirmed that it will provide support to the company to enable it to meet its liabilities as they fall due for the foreseeable future, being a period of not less than twelve months from the date on which the financial statements were signed. Given this, the directors consider that the financial statements should be prepared on the going concern basis.

2.3 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.

2.4 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or 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 or financed at a rate of interest that is not a market rate or in case of an outright 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.

Nicopure Labs Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.4 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.5 Creditors

Short term creditors are measured at the transaction price.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 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 statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.8 Taxation

Tax is recognised in the statement of income and retained earnings, 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Nicopure Labs Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

3. Employees

The average monthly number of employees, including directors, during the period was 5.

During the year, no director received any emoluments.

4. Taxation

Period
ending
31
December
2016
£

Taxation on loss on ordinary activities

-

Factors affecting tax charge for the period

There were no factors that affected the tax charge for the period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20.00%.

Factors that may affect future tax charges

There is an unrecognised deferred tax asset at the year end in respect of losses to carry forward of £359,635. The directors have not recognised this on the basis there is insufficient certainty as to whether future revenue will exceed costs to generate sufficient, recurring profits to warrant the recognition of the asset.

5. Debtors: amounts falling due within one year

2016
£

Other debtors

12,378

Prepayments and accrued income

7,658

20,036

Nicopure Labs Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

6. Creditors: Amounts falling due within one year

	2016 £
Trade creditors	5,948
Amounts owed to group undertakings	379,671
Accruals and deferred income	13,750
	<u>399,369</u>

7. Share capital

	2016 £
Allotted, called up and fully paid	
1 Ordinary share of £1	<u>1</u>

During the period, the company issued 1 ordinary £1 share at par value.

8. 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 charge amounted to £24,657. No contributions were outstanding at the period end.

9. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £
Land and buildings	
Not later than 1 year	25,379
	<u>25,379</u>

Nicopure Labs Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

10. Related party transactions

The company has taken advantage of the exemption available in the Section 33.1A of the FRS 102 where it has not disclosed transactions with the ultimate parent company as a wholly owned subsidiary undertakings of the group.

During the year, Nicopure Labs B.V. paid pension costs of £7,587 on behalf of Nicopure Labs Limited. At year end Nicopure Labs Limited owed Nicopure B.V. £7,587.

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Nicopure Labs LLC, a company incorporated in the USA.

The owners of Nicopure Labs LLC and ultimate parents of Nicopure Labs Ltd are Jeffrey Stamler, Jason Del Giudice and Kenneth Stamler.

There is no single controlling party.