

Company registration number 06612708 (England and Wales)

GALA LIGHTS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

GALA LIGHTS LTD

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GALA LIGHTS LTD

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	4		355,734		336,999
Current assets					
Stocks		137,310		101,172	
Debtors	5	2,525,095		2,216,994	
Cash at bank and in hand		362,765		447,361	
			3,025,170	2,765,527	
Creditors: amounts falling due within one year	6	(1,692,977)		(1,521,541)	
Net current assets			1,332,193		1,243,986
Total assets less current liabilities			1,687,927		1,580,985
Provisions for liabilities			(77,631)		(66,152)
Net assets			1,610,296		1,514,833
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			1,609,296		1,513,833
Total equity			1,610,296		1,514,833

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 19 June 2023 and are signed on its behalf by:

C Stille
Director

Company Registration No. 06612708

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Gala Lights Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 10, Britannia Business Park, Aylesford, Kent, United Kingdom, ME20 7NT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Groupe Leblanc. These consolidated financial statements are available from its registered office, 6 - 8 Rue Michael Faraday, 71200 Le Mans, France.

1.2 Going concern

At the time of approving the financial statements, taking into consideration all relevant factors and other evidence available to the directors in respect of the company's trading prospects (including supply chain issues and the Ukraine conflict), the directors remain satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Turnover

Sales of goods

Revenue is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Hire Sales

Hire revenue relates to the installation, hire, maintenance and removal of electrical light displays over the Christmas period. The sales contracts encompass each of these four elements as part of a package.

Due to the indeterminate number of acts due to be undertaken by the company between installation and removal, revenue is recognised systematically on a straight line basis over the specific period over which the light display is erected. Deferred or accrued income is recognised on the balance sheet to the extent that a mismatch arises between the amounts invoiced and the amounts eligible for recognition as revenue.

Management consider it reasonable to recognise all revenue relating to the Christmas period of a given year wholly within that year, given that the lights are switched-off circa 6 days after the year end, which would give rise only to an immaterial cut-off discrepancy.

Revenue is recognised net of VAT and any trade discounts and only to the extent of the expenses recognised that it is probable will be recovered. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant, machinery, fixtures, fittings & equipment	25% on written down value
Computer equipment	25% on written down value
Motor vehicles	25% on written down value
Hire lighting	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Light assemblies are written off 5 years from purchase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
Total	8	7

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Tangible fixed assets

	Plant and machinery etc	Hire lighting	Total
	£	£	£
Cost			
At 1 January 2022	73,857	516,394	590,251
Additions	5,688	197,352	203,040
Disposals	(32,740)	-	(32,740)
At 31 December 2022	46,805	713,746	760,551
Depreciation and impairment			
At 1 January 2022	48,226	205,026	253,252
Depreciation charged in the year	7,526	172,045	179,571
Eliminated in respect of disposals	(28,006)	-	(28,006)
At 31 December 2022	27,746	377,071	404,817
Carrying amount			
At 31 December 2022	19,059	336,675	355,734
At 31 December 2021	25,631	311,368	336,999

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,826,943	1,234,623
Other debtors	698,152	982,371
	2,525,095	2,216,994

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	126,887	213,696
Corporation tax	97,672	223,400
Other taxation and social security	239,907	149,091
Other creditors	201,966	154,418
Accruals and deferred income	388,571	268,314
Balances due to related parties	637,974	512,622
	1,692,977	1,521,541

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

Qualified opinion on financial statements

We have audited the financial statements of Gala Lights Ltd (the 'company') for the year ended 31 December 2022 which comprise , the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year 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.

Basis for qualified opinion

We were not appointed as auditor of the company until after 31 December 2021 and thus did not observe the counting of physical inventories at the end of the prior year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities in the financial statements for the year ended 31 December 2021, which is included in the prior year balance sheet at £101,172, nor in respect of the opening stock position for the year ended 31 December 2022 within current year costs of sales, by using other audit procedures.

Consequently we were unable to determine whether any adjustment to this amount was necessary. Owing to this limitation of scope, we were also unable to determine the valuation of the stock featured in these financial statements. It is not practicable to quantify the financial effects of this.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Except for the matters described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

The senior statutory auditor was Daniel Graves BA(Hons) FCA and the auditor was Azets Audit Services.

GALA LIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
56,964	59,927
<u> </u>	<u> </u>

9 Related party transactions

The company made purchases amounting to £36 (2021: £48) on behalf of the director during the year, giving rise to a closing balance of £293 (2021: £257) due to the company at the year end. This amount is included within other debtors.

During the year, the company purchased goods from its immediate parent, Leblanc Illuminations SAS, amounting to £533,881 (2021: £421,899). At 31 December 2022 a total of £637,974 (2021: £512,622) was payable to Groupe LCX SAS.

In addition, during the period, the company paid rent to the minority shareholder, Ellits Limited, totalling £27,000 (2021: £26,332). At 31 December 2022 a total of £171,500 (2021: £98,000) was due to Ellits Limited, and is included within other creditors.

In respect of all stated related party balances above, the loans are provided on an interest free basis and are repayable on demand.

Otherwise, the Company has taken exemption from disclosing related party transactions which occur under normal market conditions, in accordance with section 1AC.35 of the Financial Reporting Standards 102, s1A.

10 Control

The immediate parent of the company is Leblanc Illuminations SAS, which forms the smallest group which draws-up consolidated financial statements. Its registered office is 6-8 Rue Michael Faraday, 72027 Le Mans, France.

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.