Company Registration No. 03687321 (England and Wales)

THE PROMOTIONS FACTORY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

FSPG
CHARTERED ACCOUNTANTS

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THE PROMOTIONS FACTORY LIMITED

COMPANY INFORMATION

Directors	N Jaffe R Jaffe
Secretary	H S (Nominees) Limited
Company number	03687321
Registered office	21 Bedford Square London WC1B 3HH
Accountants	FSPG 21 Bedford Square London WC1B 3HH

THE PROMOTIONS FACTORY LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

THE PROMOTIONS FACTORY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	3		69,952		83,109
Investments	4		20,000		50,000
			89,952		133,109
Current assets					
Debtors	5	1,635,415		856,770	
Cash at bank and in hand		1,814,904		2,148,317	
		3,450,319		3,005,087	
Creditors: amounts falling due within one year	6	(936,223)		(796,384)	
Net current assets			2,514,096		2,208,703
Total assets less current liabilities			2,604,048		2,341,812
Capital and reserves					
Called up share capital	7		75		100
Capital redemption reserve			25		-
Profit and loss reserves			2,603,948		2,341,712
Total equity			2,604,048		2,341,812

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

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 15 September 2017 and are signed on its behalf by:

R Jaffe
Director

Company Registration No. 03687321

1 Accounting policies

Company information

The Promotions Factory Limited is a private company limited by shares incorporated in England and Wales. The registered office is 21 Bedford Square, London, WC1B 3HH.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.3 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:

Land and buildings Leasehold	Straight line over 20 years
Computers and office equipment	Straight line over 3 years
Fixtures and fittings	20% per annum on net book value
Motor vehicles	25% per annum on net book value

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.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

1 Accounting policies **(Continued)**

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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 Share-based payments

The company has issued share options to certain employees. These financial statements have been prepared in accordance with FRS102 Section 1A which does not require equity-settled share based payments arrangements to be recognised as an expense.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 23 (2016 - 21).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	85,141	195,215	280,356
Additions	-	9,216	9,216
At 31 March 2017	85,141	204,431	289,572
Depreciation and impairment			
At 1 April 2016	46,829	150,419	197,248
Depreciation charged in the year	4,257	18,115	22,372
At 31 March 2017	51,086	168,534	219,620
Carrying amount			
At 31 March 2017	34,055	35,897	69,952
At 31 March 2016	38,312	44,797	83,109

4 Fixed asset investments

	2017	2016
	£	£
Unlisted investments	20,000	50,000

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 April 2016	50,000
Amounts written off	(30,000)
At 31 March 2017	20,000
Carrying amount	
At 31 March 2017	20,000
At 31 March 2016	50,000

5 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	326,491	609,966
Other debtors	1,308,924	246,804
	1,635,415	856,770

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	762,492	584,589
Corporation tax	39,126	85,967
Other taxation and social security	45,631	106,379
Other creditors	88,974	19,449
	936,223	796,384

7 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
75,000 Ordinary shares of 0.1p each	75	75
Preference share capital		
Issued and fully paid		
25,001 B Cumulative Preference of 0.1p each	-	25

During the year, the company bought back 25,001 B cumulative preference shares of 0.1p for £12,500.

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:

	2017 £	2016 £
	179,775	259,675

9 Directors' transactions

Dividends totalling £205,000 (2016 - £145,000) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Directors' Loan	3.00	203,864	1,247,603	21,942	(205,000)	1,268,409
		203,864	1,247,603	21,942	(205,000)	1,268,409

The loan was repaid within 9 months of the year end.