
SP FASHION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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SP FASHION LIMITED

CONTENTS

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 - 9

SP FASHION LIMITED

COMPANY INFORMATION

DIRECTOR	Naila Jaffer
REGISTERED NUMBER	07200721
REGISTERED OFFICE	No.1 London Bridge London England SE1 9BG
INDEPENDENT AUDITORS	Crowe Ireland Chartered Accountants and Statutory Audit Firm Marine House Clanwilliam Place Dublin 2 Ireland
BANKERS	National Westminster Bank PLC P.O. Box 13, Cavell House 2a Charing Cross Road London WC2H 0PD
SOLICITORS	Howard Kennedy FSI LLP Solicitors No. 1 London Bridge London England SE1 9BG

SP FASHION LIMITED
REGISTERED NUMBER: 07200721

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	5	184,408	251,311
		<u>184,408</u>	<u>251,311</u>
CURRENT ASSETS			
Stocks	6	177,515	169,763
Debtors: amounts falling due within one year	7	329,519	493,207
Cash at bank and in hand		115,450	40,206
		<u>622,484</u>	<u>703,176</u>
Creditors: amounts falling due within one year	8	(783,508)	(931,763)
NET CURRENT LIABILITIES		(161,024)	(228,587)
NET (LIABILITIES)/ASSETS		23,384	22,724
CAPITAL AND RESERVES			
Called up share capital		1	1
Profit and loss account		23,383	22,723
		<u>23,384</u>	<u>22,724</u>

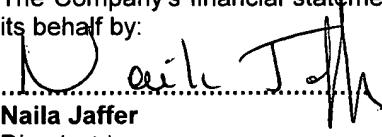
The Director acknowledges her responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's 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 Company's 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 Company's financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Naila Jaffer
 Director
 Date: **21 MAY 2019**

The notes on pages 3 to 9 form part of these financial statements.

SP FASHION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

SP Fashion Limited is primarily engaged in fashion retail. The registered office is SP Fashion Limited, No.1 London Bridge, London, England, SE19BG.

The Company is a limited liability company incorporated and domiciled in the United Kingdom and its company registration number is 07200721. The company is tax resident in the United Kingdom.

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.

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

SP FASHION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.3 TANGIBLE FIXED ASSETS (continued)

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:

Leasehold Property	-	20% Straight Line
Fixtures and fittings	-	12.5 % 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.

Reviews are performed regularly to determine whether facts or circumstances exist which indicate that the carrying value of the tangible fixed assets may be impaired.

2.4 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.

2.5 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 non-puttable ordinary shares.

SP FASHION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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 the 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Profit and Loss Account.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.9 CREDITORS

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

SP FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Great British Pounds (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Profit and Loss Account.

2.11 TAXATION

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 income 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.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	66,903	87,762
Operating Lease rentals: Land and buildings	246,281	267,049
	<u><u> </u></u>	<u><u> </u></u>

SP FASHION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. EMPLOYEES

The average monthly number of employees, including the Director, during the year was as follows:

	2018 No.	2017 No.
Employees	7	10

5. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 January 2018	71,411	590,799	662,210
At 31 December 2018	71,411	590,799	662,210
DEPRECIATION			
At 1 January 2018	65,284	345,615	410,899
Charge for the year on owned assets	6,045	60,858	66,903
At 31 December 2018	71,329	406,473	477,802
NET BOOK VALUE			
At 31 December 2018	82	184,326	184,408
At 31 December 2017	6,127	245,184	251,311

SP FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. STOCKS

	2018	2017
	£	£
Finished goods and goods for resale	177,515	169,763
	177,515	169,763

7. DEBTORS

	2018	2017
	£	£
Trade debtors	1,113	-
Amounts owed by group undertakings	185,330	346,085
Prepayments and accrued income	143,076	147,122
	329,519	493,207

8. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	83,636	57,714
Amounts owed to group undertakings	608,255	817,402
Taxation and social security	31,397	30,546
Other creditors	10,634	11,978
Accruals and deferred income	49,586	14,123
	783,508	931,763

9. SHARE CAPITAL

	2018	2017
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	1

SP FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	255,000	201,990
Later than 1 year and not later than 5 years	405,000	475,000
	660,000	676,990

11. CONTROLLING PARTY

The company is a wholly owned subsidiary of Mayorbridge Limited, a company incorporated in Ireland. 9025-7007 Quebec Inc., a company incorporated in Canada is the ultimate parent undertaking of the group.

12. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified. The auditors are Crowe Ireland and the audit report was signed by Mr. George Kennington as Senior Statutory Auditor.