BADGE UK LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

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BADGE UK LIMITED

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BADGE UK LIMITED

Report To The Directors On The Preparation Of The Unaudited Statutory Accounts Of Badge Uk Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Badge UK Limited for the year ended 31 July 2017 which comprise, the Statement Of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the ICAS we are subject to its ethical and other professional requirements which are detailed at https://www.icas.com/FrameworkforthePreparationofAccounts.

This report is made solely to the Board of Directors of Badge UK Limited, as a body, in accordance with the terms of our engagement letter dated 1 December 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Badge UK Limited and state those matters that we have agreed to state to the Board of Directors of Badge UK Limited, as a body, in this report in accordance with the requirements of the ICAS as detailed at https://www.icas.com/FrameworkforthePreparationofAccounts. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Badge UK Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Badge UK Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Badge UK Limited. You consider that Badge UK Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Badge UK Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Condie & Co

Condie & Co

Chartered Accountants

24 April 2018

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

BADGE UK LIMITED

Statement Of Financial Position

As At 31 July 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		67,417		68,796
Current assets					
Stocks		2,107		2,942	
Debtors	4	4,708		6,309	
Cash at bank and in hand		121,046		103,989	
		127,861		113,240	
Creditors: amounts falling due within one year	5	(10,346)		(11,187)	
Net current assets			117,515		102,053
Total assets less current liabilities			184,932		170,849
Provisions for liabilities			(241)		(391)
Net assets			184,691		170,458
Capital and reserves					
Called up share capital	6		2		2
Profit and loss reserves			184,689		170,456
Total equity			184,691		170,458

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 July 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 Companies Act 2006 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 24 April 2018 and are signed on its behalf by:



Mr T Legge
Director
Company Registration No. SC239402

1 Accounting policies

Company information

Badge UK Limited is a private company limited by shares incorporated in Scotland. The registered office is 72 Meadowside Road, Cupar, Fife, KY15 5DD.

1.1 Accounting convention

These financial statements for the year ended 31 July 2017 are the first financial statements of Badge UK Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 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.

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.

1.3 Tangible fixed assets

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

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

Investment Property	No depreciation
Plant and equipment	20% pa reducing balance
Computers	20% pa straight line
Tenants improvements	15% pa 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.

1 Accounting policies

1.4 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.

1.5 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1.6 Cash at bank and in hand

Cash at bank and in hand 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 statement of financial position 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.

1 Accounting policies

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 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 income statement 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.

1 Accounting policies

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 income statement, 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.

1.10 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.

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1(2016 - 1).

3 Tangible fixed assets

	Investment Property	Plant and equipment	Computers	Tenants improvements	Total
	£	£	£	£	£
Cost					
At 1 August 2016 and 31 July 2017	61,300	845	5,096	10,391	77,632
Depreciation and impairment					
At 1 August 2016	-	750	3,235	4,849	8,834
Depreciation charged in the year	-	19	669	693	1,381
At 31 July 2017	-	769	3,904	5,542	10,215
Carrying amount					
At 31 July 2017	61,300	76	1,192	4,849	67,417
At 31 July 2016	61,300	94	1,861	5,541	68,796

The Investment Property is included at cost. In the opinion of the directors, the current market value is not significantly different from the carrying value.

4 Debtors

	2017	2016
Amounts falling due within one year:	**£**	**£**
Trade debtors	4,708	6,309

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Corporation tax	3,785	3,316
VAT	857	766
Directors loan	183	2,183
Accruals and deferred income	5,521	4,922
	10,346	11,187

6 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	2	2

7 Related party transactions

The company has taken advantage of Section 1 AC35 of FRS 102 whereby only material transactions which are not under normal market conditions need to be disclosed. There are no transactions with any related companies that are not under normal market conditions.

8 Directors' transactions

Description	Opening balance	Amounts advanced	Amounts repaid	Closing balance
	£	£	£	£
Mr T Legge	2,183	1,909	(3,909)	183
	2,183	1,909	(3,909)	183

The loan due from the company is interest free and payable on demand.