Company Registration No. SC457639 (Scotland)

EMPORIUM VAPOUR LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

PAGES FOR FILING WITH REGISTRAR

EMPORIUM VAPOUR LTD

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EMPORIUM VAPOUR LTD

Report To The Directors On The Preparation Of The Unaudited Statutory Accounts Of Emporium Vapour Ltd

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Emporium Vapour Ltd for the year ended 30 June 2018 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/technical-resources/framework-for-the-preperation-of-accounts-revised-january-2017.

This report is made solely to the Board of Directors of Emporium Vapour Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Emporium Vapour Ltd and state those matters that we have agreed to state to the Board of Directors of Emporium Vapour Ltd, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at https://www.icas.com/technical-resources/framework-for-the-preparation-of-accounts-revised-january-2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Emporium Vapour Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Emporium Vapour Ltd 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 loss of Emporium Vapour Ltd. You consider that Emporium Vapour Ltd 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 Emporium Vapour Ltd. 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
Chartered Accountants

28 March 2019

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

EMPORIUM VAPOUR LTD

Statement Of Financial Position

As At 30 June 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	**4**		264,825		391,434
Tangible assets	**5**		116,108		131,492
			380,933		522,926
Current assets					
Stocks		255,795		251,342	
Debtors	**6**	117,121		106,857	
Cash at bank and in hand		13,371		35,408	
		386,287		393,607	
Creditors: amounts falling due within one year	**7**	(494,986)		(492,730)	
Net current liabilities			(108,699)		(99,123)
Total assets less current liabilities			272,234		423,803
Capital and reserves					
Called up share capital	**9**		100		100
Profit and loss reserves			272,134		423,703
Total equity			272,234		423,803

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 30 June 2018 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 28 March 2019 and are signed on its behalf by:

Mr L Jones
Director

Company Registration No. SC457639

1 Accounting policies

Company information

Emporium Vapour Ltd is a private company limited by shares incorporated in Scotland. The registered office is 179-181 Great Junction Street, Edinburgh, EH6 5LQ.

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 a mounts 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.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue in existence for the foreseeable future. The company incurred losses during the year of £96,969 and had net current liabilities of £108,699 at the year end. The company is thus dependent on the continued support of its directors. The directors are confident about the continued support and accordingly consider it appropriate for the financial statements to be prepared on the going concern basis.

1.3 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. 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 on despatch, 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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 **Accounting policies** **(Continued)**

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Development Costs	20% Straight line p.a.

1.6 Tangible fixed assets

Tangible fixed assets are 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:

Tenants improvements	10% straight line p.a.
Plant and machinery	15% reducing balance p.a.
Fixtures, fittings & equipment	15% reducing balance p.a.
Computer equipment	25% straight line p.a.
Motor vehicles	25% straight line p.a.

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.

1.7 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.

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.

1.8 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.

1.9 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.

1 Accounting policies (Continued)

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, 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.

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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 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.

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 **Accounting policies** **(Continued)**

1.12 Retirement benefits

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

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 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 27 (2017 - 28).

4 Intangible fixed assets

	Goodwill	Development Costs	Total
	£	£	£
Cost			
At 1 July 2017 and 30 June 2018	400,000	233,043	633,043
Amortisation and impairment			
At 1 July 2017	195,000	46,609	241,609
Amortisation charged for the year	80,000	46,609	126,609
At 30 June 2018	275,000	93,218	368,218
Carrying amount			
At 30 June 2018	125,000	139,825	264,825
At 30 June 2017	205,000	186,434	391,434

5 Tangible fixed assets

	Tenants improvements	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 July 2017	91,472	5,901	56,161	16,767	7,995	178,296
Additions	5,432	-	1,078	-	-	6,510
At 30 June 2018	96,904	5,901	57,239	16,767	7,995	184,806
Depreciation and impairment						
At 1 July 2017	14,502	375	18,790	6,642	6,496	46,805
Depreciation charged in the year	9,690	829	5,683	4,192	1,499	21,893
At 30 June 2018	24,192	1,204	24,473	10,834	7,995	68,698
Carrying amount						
At 30 June 2018	72,712	4,697	32,766	5,933	-	116,108
At 30 June 2017	76,970	5,526	37,371	10,126	1,499	131,492

5 **Tangible fixed assets** **(Continued)**

Tangible fixed assets with a net book value of £116,108 (2017: £131,492) have been pledged as security in favour of The Royal Bank of Scotland PLC.

6 **Debtors**

Amounts falling due within one year:	**2018** **£**	**2017** **£**
Trade debtors	7,878	8,763
Corporation tax recoverable	16,790	16,790
Other debtors	500	-
Prepayments and accrued income	91,953	81,304
	117,121	106,857

7 **Creditors: amounts falling due within one year**

	2018 **£**	**2017** **£**
Bank loans and overdrafts	13,655	-
Trade creditors	87,406	80,762
Other taxation and social security	48,909	51,319
Other creditors	337,576	315,603
Accruals and deferred income	7,440	45,046
	494,986	492,730

The Royal Bank of Scotland hold a floating charge dated 25 June 2015 over all assets of the company as security.

8 **Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018	Liabilities 2017
Balances:	£	£
Accelerated capital allowances	(7,223)	(9,247)
Tax losses	7,223	9,247

There were no deferred tax movements in the year.

At 30th June 2018, the company has trading losses amounting to £227,845 which are available to utilise against future trading profits. These tax losses have not been recognised as a deferred tax asset on the grounds that there is insufficient evidence that the losses will be fully recovered in the foreseeable future.

9 **Called up share capital**

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	100	100

10 **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.

11 **Directors' transactions**

Description	% Rate	Opening balance	Amounts advanced	Interest charged	Amounts repaid	Closing balance
		£	£	£	£	£
Mr L Jones	6.00	217,650	30,000	6,000	(36,482)	217,168
Mrs J Russell	1.00	95,174	24,600	1,000	(3,098)	117,676
		312,824	54,600	7,000	(39,580)	334,844

The balance due to the directors, which is included in other creditors, is repayable on demand.

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.