

# **Buff Clothing Limited**

Registered number: 03580460

## **Information for filing with registrar**

**For the year ended 30 June 2017**



**BUFF CLOTHING LIMITED**

Registered number: 03580460

**BALANCE SHEET  
AS AT 30 JUNE 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	5	42,633	36,825
		<u>42,633</u>	<u>36,825</u>
<b>Current assets</b>			
Stocks		167,783	117,973
Debtors: amounts falling due within one year	6	689,525	625,801
Cash at bank and in hand		202,205	739,037
		<u>1,059,513</u>	<u>1,482,811</u>
Creditors: amounts falling due within one year	7	(707,268)	(1,033,892)
<b>Net current assets</b>		<u>352,245</u>	<u>448,919</u>
<b>Total assets less current liabilities</b>		<u>394,878</u>	<u>485,744</u>
<b>Provisions for liabilities</b>			
Deferred taxation		(4,225)	(5,600)
		<u>(4,225)</u>	<u>(5,600)</u>
<b>Net assets</b>		<u><u>390,653</u></u>	<u><u>480,144</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		390,553	480,044
		<u><u>390,653</u></u>	<u><u>480,144</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 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 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.

**BUFF CLOTHING LIMITED**

Registered number: 03580460

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2017**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2017.



**A Khan**  
Director

The notes on pages 3 to 8 form part of these financial statements.

# **BUFF CLOTHING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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### **1. General information**

Buff Clothing Limited presents its financial statements for the year ended 30 June 2017. The presentation currency for the financial statements is pounds sterling (£). The Company is a private company, limited by shares and is registered in England. Its registered office address is 17 Collingham Road, Rowley Fields, Leicester, LE3 2BB. The principal activity of the Company during the year continued to be that of the design and marketing of clothing.

### **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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The transition date to FRS 102 is 1 July 2015. The end of the latest period presented under previously accepted accounting guidance is 30 June 2016

The following principal accounting policies have been applied:

#### **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.

# **BUFF CLOTHING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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### **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 both straight line and reducing balance methods..

Depreciation is provided on the following basis:

Leasehold property	- 25% on cost per annum
Motor vehicles	- 25% reducing balance per annum
Fixtures & fittings	- 25% reducing balance per annum

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.

#### **2.4 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.

#### **2.5 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 subsequently at amortised cost, using the effective interest method, less any impairment.

#### **2.6 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.

#### **2.7 Financial instruments**

The Company only enters into basic financial instruments 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.

#### **2.8 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.

# **BUFF CLOTHING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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### **2. Accounting policies (continued)**

#### **2.9 Foreign currency translation**

##### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

##### **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.

#### **2.10 Finance costs**

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### **2.12 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### **2.13 Interest income**

Interest income is recognised in the profit and loss account using the effective interest method.

# **BUFF CLOTHING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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### **2. Accounting policies (continued)**

#### **2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences and are determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

#### **(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See accounting policy note 2.3 for the useful economic lives for each class of assets.

#### **(ii) Impairment of debtors**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

### **4. Employees**

The average monthly number of employees, including directors, during the year was 16 (2016 - 17).

# **BUFF CLOTHING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **5. Tangible fixed assets**

	<b>Leasehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2016	13,524	3,167	166,787	183,478
Additions	-	16,398	463	16,861
At 30 June 2017	<u>13,524</u>	<u>19,565</u>	<u>167,250</u>	<u>200,339</u>
<b>Depreciation</b>				
At 1 July 2016	10,173	1,880	134,600	146,653
Charge for the year	1,543	1,347	8,163	11,053
At 30 June 2017	<u>11,716</u>	<u>3,227</u>	<u>142,763</u>	<u>157,706</u>
<b>Net book value</b>				
At 30 June 2017	<u>1,808</u>	<u>16,338</u>	<u>24,487</u>	<u>42,633</u>
At 30 June 2016	<u>3,351</u>	<u>1,287</u>	<u>32,187</u>	<u>36,825</u>



# **BUFF CLOTHING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **6. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	618,056	539,102
Other debtors	31,961	53,946
Prepayments and accrued income	39,508	32,753
	<u>689,525</u>	<u>625,801</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	600,973	898,007
Corporation tax	20,650	30,000
Other taxation and social security	5,596	37,289
Other creditors	29,185	3,341
Accruals and deferred income	50,864	65,255
	<u>707,268</u>	<u>1,033,892</u>

### **8. Related party transactions**

At 1 July 2016 the company was owed £16,584 by A Khan and S K Khan in respect of their joint directors loan account. During the year payments of £134,796 (2016: £133,106) were made to A Khan and S K Khan and repayments of £152,735 (2016: £189,503) were received from A Khan and S K Khan, leaving a balance of £1,355 owing to A Khan and S K Khan at the year end. All amounts were interest free and repayable on demand.

### **9. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.