COMPANY REGISTRATION NUMBER: 07356504

BRIGHT SPARKS LIGHTING LIMITED

FILLETED UNAUDITED FINANCIAL STATEMENTS

31 August 2019

BRIGHT SPARKS LIGHTING LIMITED

STATEMENT OF FINANCIAL POSITION

31 August 2019

	Note	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	5		48,000		54,000
Tangible assets	6		15,533		16,443
			63,533		70,443
CURRENT ASSETS					
Stocks		10,056		12,759	
Debtors	7	104,896		116,775	
Cash at bank and in hand		–		9,053	
		114,952		138,587	
CREDITORS: amounts falling due within one year	8	151,204		133,954	
NET CURRENT (LIABILITIES)/ASSETS			(36,252)		4,633
TOTAL ASSETS LESS CURRENT LIABILITIES			27,281		75,076
CREDITORS: amounts falling due after more than one year	9		71,676		52,894
PROVISIONS			2,951		3,124
NET (LIABILITIES)/ASSETS			(47,346)		19,058
CAPITAL AND RESERVES					
Called up share capital fully paid			30		10
Profit and loss account			(47,376)		19,048
SHAREHOLDERS (DEFICIT)/FUNDS			(47,346)		19,058

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

31 August 2019

These financial statements were approved by the board of directors and authorised for issue on 10 August 2020 , and are signed on behalf of the board by:

Mr S Scott	Mr G J Parr
Director	Director

Company registration number: 07356504

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is 1 Ground Floor, Ferro House, Scaldwell Industrial Estate, Brixworth, Northamptonshire, NN6 9UA, United Kingdom.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company currently meets its daily working capital requirements through operating revenues, banking facilities and financial support from the directors. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from the failure to raise any additional finance that may prove necessary.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% straight line
Franchise fee	-	33 1/3% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33 1/3% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 9 (2018: 6).

5. INTANGIBLE ASSETS

	Goodwill	Franchise Fee	**Total**
	£	£	**£**
Cost			
At 1 September 2018 and 31 August 2019	60,000	20,000	80,000
Amortisation			
At 1 September 2018	6,000	20,000	26,000
Charge for the year	6,000	–	6,000
At 31 August 2019	12,000	20,000	32,000
Carrying amount			
At 31 August 2019	48,000	–	48,000
At 31 August 2018	54,000	–	54,000

6. TANGIBLE ASSETS

	Fixtures and fittings	Motor vehicles	Computer Equipment	**Total**
	£	£	£	**£**
Cost				
At 1 September 2018	208	24,750	2,020	26,978
Additions	2,347	–	1,860	4,207
At 31 August 2019	2,555	24,750	3,880	31,185
Depreciation				
At 1 September 2018	130	8,579	1,826	10,535
Charge for the year	363	4,043	711	5,117
At 31 August 2019	493	12,622	2,537	15,652
Carrying amount				
At 31 August 2019	2,062	12,128	1,343	15,533
At 31 August 2018	78	16,171	194	16,443

7. DEBTORS

	2019	2018
	£	£
Trade debtors	102,380	115,975
Other debtors	2,516	800
	104,896	116,775

The company has an on-going financing arrangement whereby it receives a proportion of the value of sales invoices in advance. Advances are disclosed in the balance sheet as current liabilities and the gross amount of the financial debtors is included in trade debtors.

8. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	37,761	23,241
Trade creditors	41,305	46,245

Corporation tax	7,215	13,498
Social security and other taxes	25,986	26,511
Other creditors	38,937	24,459
	151,204	133,954

Included in bank loans and overdrafts are advances in respect of financial debtors of £0 (2018 - £17,241) which are secured against the assets of the company.

Included within other creditors are amounts totalling £4,551 (2018 - £4,309) relating to hire purchase agreements which are secured by the company.

9. CREDITORS: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	57,833	19,500
Other creditors	13,843	33,394
	71,676	52,894

Included within other creditors are amounts totalling £10,093 (2018 - £14,644) relating to hire purchase agreements which are secured by the company.

10. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	5,580	5,035
Later than 1 year and not later than 5 years	11,160	10,490
	16,740	15,525

11. RELATED PARTY TRANSACTIONS

During the year the company undertook the following transactions with related parties: Directors had advanced monies to the company. At 31 August 2019 the amount due to the directors was £12,842 (2018 - £561).