

Company Registration No. 09503264 (England and Wales)

BRAND AMBASSADORS INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

BRAND AMBASSADORS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	G Fennell N Jones A Fennell C Jones
Company number	09503264
Registered office	31 Wellington Road Nantwich Cheshire CW5 7ED
Auditor	Afford Bond Holdings Limited 31 Wellington Road Nantwich Cheshire CW5 7ED

BRAND AMBASSADORS INTERNATIONAL LIMITED

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BRAND AMBASSADORS INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2019

The directors present the strategic report for the year ended 31 July 2019.

Fair review of the business

The company's business is primarily derived from four key sales channels - grocery, beverage, personal care and laundry. Grocery is historically the company's core activity and has provided the basic platform upon which the other sales have been developed.

The key routes to market for each channel are through a dedicated sales team who are able to utilise a continually growing database of customers.

Principal risks and uncertainties

Across the broad range of products offered, the company has a number of direct competitors. Management of this risk is by way of sales channel optimisation and customer growth and retention initiatives discussed below.

The company continues to buy a large proportion of its stock from Europe and consequently there is an ongoing exposure to both exchange gains and losses. The company has processes in place to manage the risk: there is no speculative buying of foreign currency and exchange rates are reviewed frequently.

Development and performance

The main objective for the grocery, beverage, personal care and laundry sales channels are to look for initiatives which continue to grow this aspect of our business in terms of both turnover and gross margin. All divisions are expected to continue to show growth with the improved prominence of the sales team.

The key strategies for growing the business are to have focused resource for each of the sales channels and to grow awareness through the continual development of the website and the implementation of e-retailing initiatives. The company will then couple this with the development of customer retention through enhanced customer service.

The overall performance during 2019 was excellent and explained by the growing confidence in the economic climate. The company enjoyed increased trading levels whilst controlling overheads.

The early signs for 2020 appear to indicate that general consumer confidence is on the increase and we feel assured that 2020 will again be a year of growth. We hope to see continued improvement in all areas of the business and are keen to see our new ranges develop further over the next few years.

Key performance indicators

The key performance indicators by which the directors manage and measure the business are turnover, gross profit and adjusted net profit before interest, tax and depreciation. All three measures have improved in the period.

On behalf of the board

G Fennell

Director

6 April 2020

BRAND AMBASSADORS INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

The directors present their annual report and financial statements for the year ended 31 July 2019.

Principal activities

The principal activity of the company is that of discount goods wholesaler.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Fennell
N Jones
A Fennell
C Jones

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £513,133. The directors do not recommend payment of a final dividend.

Auditor

Afford Bond Holdings Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

G Fennell
Director

6 April 2020

BRAND AMBASSADORS INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRAND AMBASSADORS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAND AMBASSADORS INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Brand Ambassadors International Limited (the 'company') for the year ended 31 July 2019 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

BRAND AMBASSADORS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRAND AMBASSADORS INTERNATIONAL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Edwards FCCA CTA (Senior Statutory Auditor)
for and on behalf of Afford Bond Holdings Limited

6 April 2020

Chartered Accountants
Statutory Auditor

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

BRAND AMBASSADORS INTERNATIONAL LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £	2018 £
Turnover	3	14,323,444	12,932,404
Cost of sales		(11,274,948)	(9,934,934)
Gross profit		3,048,496	2,997,470
Administrative expenses		(676,598)	(876,793)
Operating profit	4	2,371,898	2,120,677
Interest receivable and similar income	7	72	-
Interest payable and similar expenses	8	(224,143)	(163,412)
Profit before taxation		2,147,827	1,957,265
Tax on profit	9	(413,360)	(380,109)
Profit for the financial year		1,734,467	1,577,156
Retained earnings brought forward		2,725,085	1,677,254
Dividends	10	(513,133)	(529,325)
Retained earnings carried forward		3,946,419	2,725,085

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BRAND AMBASSADORS INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 JULY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		35,091		29,253
Investments	13		2,803		2,803
			<u>37,894</u>		<u>32,056</u>
Current assets					
Stocks	14	752,979		752,382	
Debtors	15	6,380,879		4,305,531	
Cash at bank and in hand		580,392		542,691	
		<u>7,714,250</u>		<u>5,600,604</u>	
Creditors: amounts falling due within one year	16	(3,805,625)		(2,907,475)	
Net current assets			<u>3,908,625</u>		<u>2,693,129</u>
Total assets less current liabilities			<u>3,946,519</u>		<u>2,725,185</u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss reserves			<u>3,946,419</u>		<u>2,725,085</u>
Total equity			<u>3,946,519</u>		<u>2,725,185</u>

The financial statements were approved by the board of directors and authorised for issue on 6 April 2020 and are signed on its behalf by:

G Fennell
Director

N Jones
Director

Company Registration No. 09503264

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

Company information

Brand Ambassadors International Limited is a private company limited by shares incorporated in England and Wales. The registered office is 31 Wellington Road, Nantwich, Cheshire, CW5 7ED.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Guy Fennell Holdings Limited. These consolidated financial statements are available from its registered office, 31 Wellington Road, Nantwich, Cheshire, CW5 7ED.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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.

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

Depreciation 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:

Fixtures and fittings	15% reducing balance
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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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 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.

1.7 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.

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents 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 balance sheet 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.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

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.

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

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

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 profit and loss account, 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.

1.13 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

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 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Other significant revenue		
Interest income	72	-
	<u>72</u>	<u>-</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	12,975,880	12,550,812
Europe	926,776	349,606
Rest of the world	420,788	31,986
	<u>14,323,444</u>	<u>12,932,404</u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Exchange losses	11,750	23,559
Fees payable to the company's auditor for the audit of the company's financial statements	4,750	4,500
Depreciation of owned tangible fixed assets	4,569	5,132
Cost of stocks recognised as an expense	10,364,614	9,231,920
Operating lease charges	34,569	22,452
	<u>10,380,252</u>	<u>9,287,563</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £11,750 (2018 - £23,559).

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
	14	12
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	431,364	441,519
Pension costs	12,525	192,838
	<u> </u>	<u> </u>
	443,889	634,357
	<u> </u>	<u> </u>

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	22,327	12,327
	<u> </u>	<u> </u>

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	72	-
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on invoice finance arrangements	223,828	161,161
Other interest	315	2,251
	<u> </u>	<u> </u>
	224,143	163,412
	<u> </u>	<u> </u>

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	413,360	380,109
	<u> </u>	<u> </u>

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	2,147,827	1,957,265
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	408,087	371,880
Tax effect of expenses that are not deductible in determining taxable profit	7,250	8,229
Permanent capital allowances in excess of depreciation	(1,977)	-
Taxation charge for the year	413,360	380,109

10 Dividends

	2019 £	2018 £
Interim paid	513,133	529,325

11 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 August 2018	40,805
Additions	10,407
At 31 July 2019	51,212
Depreciation and Impairment	
At 1 August 2018	11,552
Depreciation charged in the year	4,569
At 31 July 2019	16,121
Carrying amount	
At 31 July 2019	35,091
At 31 July 2018	29,253

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

12 Subsidiaries

Details of the company's subsidiaries at 31 July 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect
Brand Ambassadors International France	Immeuble Sequoia, La Beucherie, 53000 Laval, France	Ordinary	100.00
Brand Ambassadors International Holland BV	Olympisch Stadion 24-28, 1076DE, Amsterdam, Netherlands	Ordinary	100.00

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

13 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	12	2,803	2,803

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2018 & 31 July 2019	2,803
Carrying amount	
At 31 July 2019	2,803
At 31 July 2018	2,803

14 Stocks

	2019 £	2018 £
Finished goods and goods for resale	752,979	752,382

The carrying amount of stocks includes £752,979 (2018 - £752,382) pledged as security for liabilities.

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,162,877	1,679,293
Amounts owed by group undertakings	3,168,219	2,070,460
Other debtors	2,850	467,133
Prepayments and accrued income	46,933	88,645
	6,380,879	4,305,531

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other borrowings	17	2,928,183	1,371,033
Trade creditors		504,638	681,345
Amounts owed to group undertakings		-	185,000
Corporation tax		304,922	216,879
Other taxation and social security		12,396	99,707
Other creditors		21,833	295,632
Accruals and deferred income		33,653	57,879
		<u>3,805,625</u>	<u>2,907,475</u>

17 Loans and overdrafts

	2019 £	2018 £
Other loans	<u>2,928,183</u>	<u>1,371,033</u>
Payable within one year	<u>2,928,183</u>	<u>1,371,033</u>

Included within other creditors are amounts totalling £2,928,183 (2018: £1,371,033) which are secured against the trade debts and stock of the business.

18 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>12,525</u>	<u>192,838</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
75 Ordinary A shares of £1 each	75	75
25 Ordinary B shares of £1 each	25	25
	<u>100</u>	<u>100</u>

BRAND AMBASSADORS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	44,889	26,124

21 Directors' transactions

Dividends totalling £513,133 (2018 - £529,325) were paid by the company or group companies in the year in respect of shares held by the company's directors.

22 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due to related parties		
Key management personnel	9,714	285,481

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due from related parties		
Other related parties	3,168,219	2,070,460

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.