

Company registration number 11539600 (England and Wales)

**BRAND FACTORY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**  
**PAGES FOR FILING WITH REGISTRAR**

**BRAND FACTORY LIMITED**

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# BRAND FACTORY LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	5	234,748		205,754	
Investments	6	364,334		146,263	
			599,082		352,017
<b>Current assets</b>					
Stocks		2,118,548		1,753,019	
Debtors	7	5,616,877		2,136,140	
Cash at bank and in hand		479,920		485,674	
		8,215,345		4,374,833	
<b>Creditors: amounts falling due within one year</b>	8	(5,776,802)		(2,552,879)	
<b>Net current assets</b>		2,438,543		1,821,954	
<b>Total assets less current liabilities</b>		3,037,625		2,173,971	
<b>Creditors: amounts falling due after more than one year</b>	9	(607,380)		(727,403)	
<b>Provisions for liabilities</b>		(49,110)		(24,040)	
<b>Net assets</b>		2,381,135		1,422,528	
<b>Capital and reserves</b>					
Called up share capital	11	100		100	
Profit and loss reserves		2,381,035		1,422,428	
<b>Total equity</b>		2,381,135		1,422,528	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2022 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.

**BRAND FACTORY LIMITED**

**BALANCE SHEET (CONTINUED)**

***AS AT 31 AUGUST 2022***

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The financial statements were approved by the board of directors and authorised for issue on 10 March 2023 and are signed on its behalf by:

Mr D Vithlani  
**Director**

**Company Registration No. 11539600**

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### Company information

Brand Factory Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit4, Aesop Business Park Aesop Road, Aston Clinton, Aylesbury, England, HP22 5XX.

#### 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 company has early adopted the Triennial review and these financial statements have been prepared in accordance with FRS 102 (March 2018) 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and 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.

#### 1.2 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.

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 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:

Leasehold improvements	Amortised over remaining lease period
Plant and equipment	25% Reducing balance method
Fixtures and fittings	25% Reducing balance method
Motor vehicles	25% Reducing balance method

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.

#### 1.4 Fixed asset investments

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.5 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.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In determining the cost of goods purchased for resale, the first in first out purchase price is used.

#### 1.7 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.

#### 1.8 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.

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 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.

### 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 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.

### 1.10 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.

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.

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.11 Retirement benefits

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

#### 1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.13 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 in the period are included in profit or loss.

#### 1.14 Supplier rebates

Supplier allowances and credits are recorded against Purchases as they are earned according to the underlying agreement. Allowances consist primarily of promotional allowances, quantity discounts and payments under merchandising agreements. Amounts received under promotional or other merchandising allowance agreements that require specific performance are recognised when the performance is satisfied, the amount is fixed and determinable and the collection is reasonably assured.

#### 1.15 Retrospective rebates and discounts

The company negotiates discounts directly with suppliers. These discounts are accounted for once the directors are confident that the company is entitled to the discount, and are netted against cost of sales accordingly.

### 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Impairment of debtors

The company reviews their portfolio of trade debtors on an annual basis. In determining whether trade debtors are impaired, the management makes judgment as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.



# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Useful lives of property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

### 3 Employees

The average monthly number of persons employed by the company during the period was

	2022 Number	2021 Number
Total	30	33

### 4 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	212,103	128,842
<b>Deferred tax</b>		
Origination and reversal of timing differences	25,070	14,266
Total tax charge	237,173	143,108

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 5 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2021	10,000	73,580	134,935	96,667	315,182
Additions	-	2,100	85,053	30,250	117,403
Disposals	-	-	-	(96,667)	(96,667)
At 31 August 2022	10,000	75,680	219,988	30,250	335,918
<b>Depreciation and impairment</b>					
At 1 September 2021	6,541	19,422	30,978	52,487	109,428
Depreciation charged in the year	3,459	13,758	26,382	11,676	55,275
Eliminated in respect of disposals	-	-	-	(63,533)	(63,533)
At 31 August 2022	10,000	33,180	57,360	630	101,170
<b>Carrying amount</b>					
At 31 August 2022	-	42,500	162,628	29,620	234,748
At 31 August 2021	3,459	54,158	103,957	44,180	205,754

### 6 Fixed asset investments

	2022 £	2021 £
Other investments other than loans	364,334	146,263

#### Movements in fixed asset investments

	Investments £
<b>Cost or valuation</b>	
At 1 September 2021	146,263
Additions	218,071
At 31 August 2022	364,334
<b>Carrying amount</b>	
At 31 August 2022	364,334
At 31 August 2021	146,263

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	4,874,546	1,685,112
Other debtors	742,331	451,028
	<u>5,616,877</u>	<u>2,136,140</u>

### 8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	110,000	110,000
Trade creditors	4,758,319	1,961,827
Corporation tax	340,945	128,841
Other taxation and social security	53,186	45,849
Other creditors	514,352	306,362
	<u>5,776,802</u>	<u>2,552,879</u>

### 9 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	320,833	430,833
Other creditors	286,547	296,570
	<u>607,380</u>	<u>727,403</u>

The bank loan is secured by an all moneys guarantee from Metro Group (GB) Limited, unlimited debenture from Brand Factory Limited and a deed of postponement from all director loan.

The bank loan is secured by the Government.

### 10 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	<u>49,110</u>	<u>24,040</u>

# BRAND FACTORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 10 Deferred taxation (Continued)

	<b>2022</b>
<b>Movements in the year:</b>	<b>£</b>
Liability at 1 September 2021	24,040
Charge to profit or loss	25,070
	<hr/>
Liability at 31 August 2022	49,110
	<hr/>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

### 11 Called up share capital

	<b>2022</b>	<b>2021</b>
<b>Ordinary share capital</b>	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>		
Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

### 12 Related party transactions

#### Transactions with related parties

During the period the company entered into the following transactions with related parties:

Included within debtors is amounts due to related parties with common directors and shareholders amounting to £200,000 (2021: £201,076).

Included within creditors is amounts due to related parties with common directors and shareholders amounting to £1,424,088 (2021: £357,236) and amounts due to director amounting to £397,693 (2021: £384,773).

Also included within purchases are transactions with related parties with common directors and shareholders amounting to £10,640,673 (2021: £10,481,525).

Rent of £285,000 (2021: £114,405) is paid to related party with common directors and shareholders.

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.