

**Residual Brand Management Limited**  
**Abbreviated Financial Statements**  
**31 December 2015**

**ANDERSON ROSS LLP**

Chartered accountant  
22 West Green Road  
London  
United Kingdom  
N15 5NN



# **Residual Brand Management Limited**

## **Abbreviated Financial Statements**

**Year ended 31 December 2015**

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# **Residual Brand Management Limited**

## **Strategic Report**

**Year ended 31 December 2015**

The principal activity of the company during the year was that of wholesale of household goods. The company has many years of experience in the safe and discreet distribution of remnant and non performing inventory and has grown to be the sector's leading organisation for New Product Introduction (NPI) solutions and work with leading Fast Moving Consumer Goods (FMCG) multinational manufacturers worldwide.

The company is wholly owned by J.A. Phillips Holdings Limited, a company registered in England and Wales.

The company face the risk of having a high volume of slow moving or obsolete stock, as it is required to sell via approved channels.

The company operates to a minimal extent in strategic markets which are logistically unavailable due to their high risk nature, including their volatile political position.

As the company operates in international markets, it is exposed to the risk of adverse currency movements.

	2015	2014
Turnover (£)	14,030,757	13,894,681
Gross profit (%)	30.0	30.0
Operating profit (%)	10.6	13.1

The turnover of the company has increased by approximately 1% in the year while the gross profit percentage has remained constant at 30%. However, the operating profit margin has decreased due to an increase in administrative costs.

The company is sourcing its supplies with fellow subsidiaries around Europe thereby guaranteeing its source of supply.

The company, facilitated by other group companies based in foreign countries, is planning to further increase its market share as a specialist distributor for the European Independent Channel and Strategic Markets by continuing to provide a global service thus ensuring the reputation of manufacturer's core brands. The director remain optimistic about the future performance of the company.

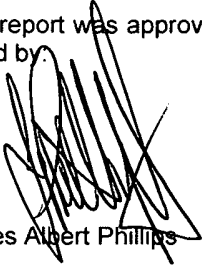
The director remained committed to consolidating the business, keeping tighter rein on overheads.

# **Residual Brand Management Limited**

## **Strategic Report** *(continued)*

**Year ended 31 December 2015**

This report was approved by the board of directors on 26/09/2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'James Albert Phillips', written over the printed name.

James Albert Phillips

Director

# **Residual Brand Management Limited**

## **Director's Report**

**Year ended 31 December 2015**

The director presents his report and the abbreviated financial statements of the company for the year ended 31 December 2015.

### **Director**

The director who served the company during the year was as follows:

James Albert Phillips

### **Dividends**

Particulars of recommended dividends are detailed in note 9 to the financial statements.

### **Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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. He is 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.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

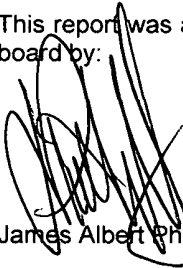
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# **Residual Brand Management Limited**

## **Director's Report** *(continued)*

**Year ended 31 December 2015**

This report was approved by the board of directors on 26/09/2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'James Albert Phillips', written over a horizontal line.

James Albert Phillips

Director

# **Residual Brand Management Limited**

## **Independent Auditor's Report to Residual Brand Management Limited under section 449 of the Companies Act 2006**

**Year ended 31 December 2015**

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, together with the financial statements of Residual Brand Management Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company's shareholder 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 shareholder those matters we are required to state to them in an auditors 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditor**

The director is responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.



NARAI DOO SAVOMY FCA FCCA CTA (Senior Statutory Auditor)

For and on behalf of  
Anderson Ross LLP  
Chartered accountant  
22 West Green Road  
London  
United Kingdom  
N15 5NN

26/9/2016

**Residual Brand Management Limited**  
**Abbreviated Statement of Comprehensive Income**  
**Year ended 31 December 2015**

	Note	2015 £	2014 £
<b>Turnover</b>	<b>2</b>	<b>14,030,757</b>	<b>13,894,681</b>
Cost of sales and other operating income		(9,456,935)	(9,255,129)
Distribution costs		(697,580)	(628,849)
Administrative expenses		(2,391,702)	(2,190,580)
<b>Operating profit</b>	<b>4</b>	<b>1,484,540</b>	<b>1,820,123</b>
Other interest receivable and similar income		11,443	6,330
Interest payable and similar charges	<b>7</b>	(106,238)	(43,999)
<b>Profit on ordinary activities before taxation</b>		<b>1,389,745</b>	<b>1,782,454</b>
Tax on profit on ordinary activities	<b>8</b>	(280,388)	(387,831)
<b>Profit for the financial year and total comprehensive income</b>		<b><u>1,109,357</u></b>	<b><u>1,394,623</u></b>

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.



# Residual Brand Management Limited

## Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	10	56,963	65,174
Investments	11	–	7,500
		<u>56,963</u>	<u>72,674</u>
<b>Current assets</b>			
Stocks	12	3,081,129	2,203,528
Debtors	13	4,152,543	1,540,568
Cash at bank and in hand		1,721,869	3,838,038
		<u>8,955,541</u>	<u>7,582,134</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,051,035)</u>	<u>(1,801,472)</u>
<b>Net current assets</b>		<u>4,904,506</u>	<u>5,780,662</u>
<b>Total assets less current liabilities</b>		<u>4,961,469</u>	<u>5,853,336</u>
<b>Provisions</b>			
Taxation including deferred tax	16	(6,346)	(7,570)
<b>Net assets</b>		<u>4,955,123</u>	<u>5,845,766</u>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Profit and loss account	18	4,954,123	5,844,766
<b>Shareholder funds</b>		<u>4,955,123</u>	<u>5,845,766</u>

The statement of financial position  
continues on the following page.

The notes on pages 11 to 20 form part of these financial statements.

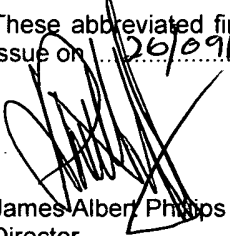
# **Residual Brand Management Limited**

## **Statement of Financial Position** *(continued)*

**31 December 2015**

These financial statements have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 26/09/2016 and are signed on behalf of the board by:



James Albert Phillips  
Director

Company registration number: 02964898

The notes on pages 11 to 20 form part of these financial statements.

# Residual Brand Management Limited

## Statement of Changes in Equity

Year ended 31 December 2015

		Called up share capital £	Profit and loss account £	Total £
<b>At 1 January 2014</b>		2	6,450,143	6,450,145
Profit for the year		—	1,394,623	1,394,623
<b>Total comprehensive income for the year</b>		—	1,394,623	1,394,623
Issue of shares		998	—	998
Dividends paid and payable	9	—	(2,000,000)	(2,000,000)
<b>Total investments by and distributions to owners</b>		998	(2,000,000)	(1,999,002)
<b>At 31 December 2014 (as previously reported)</b>		1,000	5,876,958	<b>5,877,958</b>
Effects of changes in accounting policies		—	(32,192)	(32,192)
<b>At 31 December 2014 (restated)</b>		<u>1,000</u>	<u>5,844,766</u>	<u><b>5,845,766</b></u>
Profit for the year		—	1,109,357	<b>1,109,357</b>
<b>Total comprehensive income for the year</b>		—	1,109,357	<b>1,109,357</b>
Dividends paid and payable	9	—	(2,000,000)	<b>(2,000,000)</b>
<b>Total investments by and distributions to owners</b>		—	(2,000,000)	<b>(2,000,000)</b>
<b>At 31 December 2015</b>		<u>1,000</u>	<u>4,954,123</u>	<u><b>4,955,123</b></u>

The notes on pages 11 to 20 form part of these financial statements.

# Residual Brand Management Limited

## Statement of Cash Flows

Year ended 31 December 2015

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,109,357	1,394,623
<i>Adjustments for:</i>		
Depreciation of tangible assets	10,053	11,501
Other interest receivable and similar income	(11,443)	(6,330)
Interest payable and similar charges	106,238	43,999
Gains on disposal of other investments	(3,200)	–
Tax on profit on ordinary activities	280,388	387,831
Accrued expenses/(income)	325,090	(4,010)
<i>Changes in:</i>		
Stocks	(877,601)	1,846,472
Trade and other debtors	(2,611,975)	1,440,104
Trade and other creditors	(487,600)	423,415
Cash generated from operations	(2,160,693)	5,537,605
Interest paid	(106,238)	(43,999)
Interest received	11,443	6,330
Tax paid	(416,649)	(793,115)
Net cash (used in)/from operating activities	(2,672,137)	4,706,821
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(1,842)	(1,485)
Proceeds from sale of tangible assets	–	7,125
Proceeds from sale of other investments	10,700	–
Net cash from investing activities	8,858	5,640
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	–	998
Proceeds from loans from group undertakings	2,547,110	525,899
Dividends paid	(2,000,000)	(2,000,000)
Net cash from/(used in) financing activities	547,110	(1,473,103)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(2,116,169)	3,239,358
<b>Cash and cash equivalents at beginning of year</b>	<b>3,838,038</b>	<b>598,680</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,721,869</b>	<b>3,838,038</b>

The notes on pages 11 to 20 form part of these financial statements.

**Residual Brand Management Limited**  
**Notes to the Abbreviated Financial Statements**  
**Year ended 31 December 2015**

**1. 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.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

**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.

# **Residual Brand Management Limited**

## **Notes to the Abbreviated Financial Statements *(continued)***

**Year ended 31 December 2015**

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

#### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

#### **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

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

# **Residual Brand Management Limited**

## **Notes to the Abbreviated Financial Statements *(continued)***

**Year ended 31 December 2015**

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

#### **Investments in associates *(continued)***

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### **Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

#### **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.

# Residual Brand Management Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

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

#### 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.

### 2. Turnover

Turnover arises from:

	2015 £	2014 £
Sale of goods	<u>14,030,757</u>	<u>13,894,681</u>

### 3. Other operating income

	2015 £	2014 £
Sundry income	<u>364,593</u>	<u>474,568</u>

Sundry income represents management fees received.

### 4. Operating profit

Operating profit or loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	10,053	11,501
Gains on disposal of other investments	(3,200)	–
Foreign exchange differences	<u>50,960</u>	<u>108,702</u>

### 5. Auditor's remuneration

	2015 £	2014 £
Fees payable for the audit of the financial statements	<u>10,500</u>	<u>9,000</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	<u>6,500</u>	<u>5,100</u>



# Residual Brand Management Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

### 6. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2015 No.	2014 No.
The average monthly numbers of employees (including the director) during the year were :	<u>20</u>	<u>16</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015 £	2014 £
Wages and salaries	407,773	398,300
Social security costs	<u>33,702</u>	<u>33,926</u>
	<u>441,475</u>	<u>432,226</u>

### 7. Interest payable and similar charges

	2015 £	2014 £
Interest payable	105,055	37,114
Other interest payable and similar charges	<u>1,183</u>	<u>6,885</u>
	<u>106,238</u>	<u>43,999</u>

### 8. Tax on profit on ordinary activities

#### Major components of tax expense

	2015 £	2014 £
<b>Current tax:</b>		
UK current tax expense	281,612	390,898
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(1,224)</u>	<u>(3,067)</u>
<b>Tax on profit on ordinary activities</b>	<u>280,388</u>	<u>387,831</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 21% (2014: 22%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,389,745</u>	<u>1,782,454</u>
Profit on ordinary activities by rate of tax	291,847	399,222
Effect of different UK tax rates on some earnings	(10,728)	(9,218)
Deferred tax	<u>(1,224)</u>	<u>(3,067)</u>
Depreciation in excess of capital allowance	257	717
Expenses not deductible for tax purpose	<u>236</u>	<u>177</u>
<b>Tax on profit on ordinary activities</b>	<u>280,388</u>	<u>387,831</u>

# Residual Brand Management Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

### 9. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2015 £	2014 £
Dividends on equity	<u>2,000,000</u>	<u>2,000,000</u>

### 10. Tangible assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2015	239,392
Additions	<u>1,842</u>
<b>At 31 December 2015</b>	<u>241,234</u>
<b>Depreciation</b>	
At 1 January 2015	174,218
Charge for the year	<u>10,053</u>
<b>At 31 December 2015</b>	<u>184,271</u>
<b>Carrying amount</b>	
<b>At 31 December 2015</b>	<u>56,963</u>
At 31 December 2014	<u>65,174</u>

### 11. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 January 2015	7,500
Disposals	<u>(7,500)</u>
<b>At 31 December 2015</b>	<u>-</u>
<b>Impairment</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>-</u>
<b>Carrying amount</b>	
<b>At 31 December 2015</b>	<u>-</u>
At 31 December 2014	<u>7,500</u>

### 12. Stocks

	2015 £	2014 £
Finished goods and goods for resale	<u>3,081,129</u>	<u>2,203,528</u>

# Residual Brand Management Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

### 13. Debtors

	2015	2014
	£	£
Trade debtors	2,303,419	1,296,992
Amounts owed by group undertakings	1,711,032	79,019
Prepayments and accrued income	51,126	71,132
Other debtors	86,966	93,425
	<u>4,152,543</u>	<u>1,540,568</u>

Included in trade debtors is an amount of £1,105,102 (2014: £656,992) relating to advance payments for stock.

### 14. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	479,888	900,393
Amounts owed to group undertakings	3,033,303	486,193
Accruals and deferred income	359,985	34,895
Corporation tax	131,612	266,649
Social security and other taxes	46,229	113,342
Other creditors	18	—
	<u>4,051,035</u>	<u>1,801,472</u>

### 15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015	2014
	£	£
Included in provisions (note 16)	<u>6,346</u>	<u>7,570</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Accelerated capital allowances	<u>6,346</u>	<u>7,570</u>

### 16. Provisions

	Deferred tax (note 15)
	£
At 1 January 2015	7,570
Charge against provision	(1,224)
At 31 December 2015	<u>6,346</u>

# Residual Brand Management Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

### 17. Called up share capital

#### Authorised share capital

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

#### Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 19. Controlling party

The company is wholly owned by J.A. Phillips Holdings Limited, a company registered in England and Wales.

The parent undertaking of the group which includes the company and for which group accounts are prepared is J.A. Phillips Holding Limited. Copies of the group financial statements are available from Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ.

### 20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

# Residual Brand Management Limited

## Notes to the Abbreviated Financial Statements *(continued)*

Year ended 31 December 2015

### 20. Transition to FRS 102 *(continued)*

#### Reconciliation of equity

	1 January 2014			31 December 2014		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	89,815	–	89,815	72,674	–	72,674
Current assets	7,617,785	11,683	7,629,468	7,565,616	16,518	7,582,134
Creditors: amounts falling due within one year	(1,298,207)	39,706	(1,258,501)	(1,804,151)	2,679	(1,801,472)
Net current assets	6,319,578	51,389	6,370,967	5,761,465	19,197	5,780,662
Total assets less current liabilities	6,409,393	51,389	6,460,782	5,834,139	19,197	5,853,336
Provisions	(10,637)	–	(10,637)	(7,570)	–	(7,570)
Net assets	6,398,756	51,389	6,450,145	5,826,569	19,197	5,845,766
Capital and reserves	6,398,756	51,389	6,450,145	5,826,569	19,197	5,845,766

#### Reconciliation of profit or loss for the year

	Year ended 31 December 2014		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Turnover	13,894,681	–	13,894,681
Cost of sales	(9,729,697)	–	(9,729,697)
Gross profit	4,164,984	–	4,164,984
Distribution costs	(628,849)	–	(628,849)
Administrative expenses	(2,190,580)	–	(2,190,580)
Other operating income	474,568	–	474,568
Operating profit	1,820,123	–	1,820,123
Other interest receivable and similar income	1,495	4,835	6,330
Interest payable and similar charges	(6,972)	(37,027)	(43,999)
Tax on profit on ordinary activities	(387,831)	–	(387,831)
Profit for the financial year	1,426,815	(32,192)	1,394,623

# **Residual Brand Management Limited**

## **Notes to the Abbreviated Financial Statements *(continued)***

**Year ended 31 December 2015**

### **20. Transition to FRS 102 *(continued)***

The transition to FRS 102 require the following adjustments:

#### **(a) Interest on loans**

The company had interest free loans from the parent company and to related companies. As per FRS 102, an amount of £28,023 has been recognised at 1 January 2014 relating to interest on the loans. A further provision of £32,192 has been recognised at 31 December 2014.