

**PREPARED FOR THE REGISTRAR  
PURPLE FACTORS LIMITED  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**Purple Factors Limited****(Registration number: 05885061)****Balance Sheet as at 31 July 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	640	3,134
<b>Current assets</b>			
Debtors	<u>5</u>	1,232,872	696,817
Cash at bank and in hand		<u>856,412</u>	<u>858,015</u>
		2,089,284	1,554,832
Creditors: Amounts falling due within one year	<u>6</u>	<u>(1,480,384)</u>	<u>(1,152,624)</u>
Net current assets		<u>608,900</u>	<u>402,208</u>
Net assets		<u><u>609,540</u></u>	<u><u>405,342</u></u>
<b>Capital and reserves</b>			
Called up share capital	<u>8</u>	100	100
Profit and loss account		<u>609,440</u>	<u>405,242</u>
Total equity		<u><u>609,540</u></u>	<u><u>405,342</u></u>

For the financial year ending 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Director's responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 24 January 2019

D S Thornhill

Company secretary and director

The notes on pages 2 to 6 form an integral part of these financial statements.

## **Purple Factors Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Nexus Solicitors  
Carlton House  
16-18 Albert Square  
Manchester  
M2 5PE

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.**

## Purple Factors Limited

### Notes to the Financial Statements for the Year Ended 31 July 2018

#### **Key sources of estimation uncertainty**

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and fittings	25% straight line

#### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

## **Purple Factors Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2018**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

## Purple Factors Limited

### Notes to the Financial Statements for the Year Ended 31 July 2018

#### 3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was as follows:

	2018 No.	2017 No.
Average number of employees	<u>7</u>	<u>4</u>

#### 4 Tangible assets

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 August 2017	80,636
Disposals	<u>(70,010)</u>
At 31 July 2018	<u>10,626</u>
<b>Depreciation</b>	
At 1 August 2017	77,502
Charge for the year	2,494
Eliminated on disposal	<u>(70,010)</u>
At 31 July 2018	<u>9,986</u>
<b>Carrying amount</b>	
At 31 July 2018	<u><u>640</u></u>
At 31 July 2017	<u><u>3,134</u></u>

#### 5 Debtors

	2018 £	2017 £
Trade debtors	348,069	256,212
Amounts owed by related parties	700,950	207,873
Other debtors	182,201	223,869
Prepayments	<u>1,652</u>	<u>8,863</u>
	<u><u>1,232,872</u></u>	<u><u>696,817</u></u>

## Purple Factors Limited

### Notes to the Financial Statements for the Year Ended 31 July 2018

#### 6 Creditors

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

		2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	7	100,000	-
Trade creditors		19,440	1,986
Social security and other taxes		42,971	54,838
Other creditors		1,251,321	904,441
Accrued expenses		3,000	62,750
Corporation tax liability		63,652	128,609
		<u>1,480,384</u>	<u>1,152,624</u>

#### 7 Loans and borrowings

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Other borrowings	<u>100,000</u>	<u>-</u>

##### Other borrowings

Included in other borrowings is an unsecured, interest free loan from a director for £50,000 (2017 - amount due to the company of £207,873).

The remaining £50,000 loan is also unsecured and interest free.

#### 8 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
A Ordinary shares of £1 each	51	51	51	51
B Ordinary shares of £1 each	49	49	49	49
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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.