

Company registration number: 07731156

Torch Apparel Ltd

Unaudited filleted financial statements

31 December 2021

TORCH APPAREL LTD

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Stocks		24,375	30,574
Debtors	6	31,811	29,695
Cash at bank and in hand		32,754	70,015
		<u>88,940</u>	<u>130,284</u>
Creditors: amounts falling due within one year	7	(497,089)	(21,507)
Net current (liabilities)/assets		<u>(408,149)</u>	<u>108,777</u>
Total assets less current liabilities		<u>(408,149)</u>	<u>108,777</u>
Creditors: amounts falling due after more than one year	8	(21,867)	(506,845)
Net liabilities		<u>(430,016)</u>	<u>(398,068)</u>
Capital and reserves			
Called up share capital		1,125	1,125
Share premium account	9	112,387	112,387
Profit and loss account	9	(543,528)	(511,580)
Shareholders deficit		<u>(430,016)</u>	<u>(398,068)</u>

For the year ending 31 December 2021 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 financial statements for the year in question in accordance with section 476;
- The director acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 22 August 2022 ,

and are signed on behalf of the board by:

Mr H R Roper

Director

Company registration number: 07731156

TORCH APPAREL LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is C/O Hugh Symons Group Ltd, Alder Hills Industrial Park, 16 Alder Hills, Poole, Dorset, BH12 4AR.

Principal activity

The principal activity of the company is that of sales of bicycle helmets and apparel. It also carries out research and development of bicycle helmets and apparel.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support from the company's director. If the company were unable to continue in operational existence for the foreseeable future, adjustments will have to be made to reduce the balance sheet value of assets to their recoverable amounts, and to provide for further liabilities that might arise, and to reclassify fixed assets as current assets. The director believes that it is appropriate for the financial statements to be prepared on the going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Turnover

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.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, 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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Research and development

Research expenditure is written off in the year in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less accumulated depreciation and impairment losses.

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:

Fittings fixtures and equipment - 33.33 % straight line

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

Impairment

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. 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 are largely independent of the cash inflows from other assets or groups of assets.

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 stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 1 (2020: 1).

5. Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2021 and 31 December 2021	999	999
	<hr/>	<hr/>
Depreciation		
At 1 January 2021 and 31 December 2021	999	999
	<hr/>	<hr/>
Carrying amount		
At 31 December 2021	-	-
	<hr/>	<hr/>
At 31 December 2020	-	-
	<hr/>	<hr/>

6. Debtors

	2021 £	2020 £
Trade debtors	13,787	11,522
Other debtors	18,024	18,173
	<hr/>	<hr/>
	31,811	29,695
	<hr/>	<hr/>

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	6,400	3,733
Trade creditors	8,929	10,885
Accruals and deferred income	3,163	-
Other creditors	478,597	6,889
	<hr/>	<hr/>
	497,089	21,507
	<hr/>	<hr/>

The bank loan is repayable over 6 years at an interest rate of 2.5%. The first 12 months of the loan is interest and repayment free.

The bank loan is secured by a fixed and floating charge over the company's assets and undertakings.

8. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	21,867	28,267
Other creditors	-	478,578
	<u>21,867</u>	<u>506,845</u>

The bank loan is secured by a fixed and floating charge over the company's assets and undertakings.

Included within creditors: amounts falling due after more than one year in the prior period is an amount totalling £9,067 in respect of liabilities payable or repayable by instalments falling due for payment after more than five years from the reporting date. There are no liabilities due after more than five years in the reporting period.

The bank loan is repayable over 6 years at an interest rate of 2.5%. The first 12 months of the loan is interest and repayment free.

9. Reserves

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

10. Directors advances, credits and guarantees

	Balance brought forward and o/standing 2021 £	Balance brought forward and o/standing 2020 £
Mr H R Roper	478,578	478,578

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.