

Company registration number: 07438779

Future Brands Limited

Filleted financial statements

31 December 2022

Future Brands Limited

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Directors and other information

Directors

R. Batra
P. Rudran

Secretary

P. Rudran

Company number

07438779

Registered office

Unit 1
Colonial Business Park
Colonial Way
Watford
WD24 4PR

Business address

Unit 1
Colonial Business Park
Colonial Way
Watford
WD24 4PR

Auditor

SRV Delson
Maruti House
1st floor
369 Station Road
Harrow
HA1 2AW

Bankers

HSBC Bank Plc
The Belfry Business Park Colonial Way
Watford
WD24 4WH

Future Brands Limited

Directors responsibilities statement

Year ended 31 December 2022

The directors are responsible for preparing the directors 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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

Future Brands Limited**Statement of financial position****31 December 2022**

		2022	2021
	Note	£	£
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	1,285,718	1,290,132
Investments	9	29,112	254,112
		1,314,830	1,544,244
Current assets			
Stocks		184,553	122,679
Debtors	10	9,475,422	6,110,739
Investments	11	1,717,967	1,716,753
Cash at bank and in hand		6,053,067	6,618,141
		17,431,009	14,568,312
Creditors: amounts falling due within one year	12	(1,852,185)	(1,958,820)
Net current assets		15,578,824	12,609,492
Total assets less current liabilities		16,893,654	14,153,736
Creditors: amounts falling due after more than one year	13	(1,572,457)	(1,404,391)
Provisions for liabilities		(40,000)	(40,000)
Net assets		15,281,197	12,709,345
Capital and reserves			
Called up share capital	15	1,000	1,000
Revaluation reserve	16	200,000	200,000
Profit and loss account	16	15,080,197	12,508,345
Shareholders funds		15,281,197	12,709,345

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 30 June 2023 , and are signed on behalf of the board by:

P. Rudran

Director

Company registration number: 07438779

Future Brands Limited

Notes to the financial statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Unit 1, Colonial Business Park, Colonial Way, Watford, WD24 4PR.

Principal activities

The principal activity of the company is that of design, manufacture and distribution of branded apparel, accessories and footwear.

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 directors consider that in preparing the financial statements, they have taken into account all the information that could reasonably be expected to be available together with their continued support and that of the bank to the company. The company has sufficient confirmed future orders for the next 12 months. On this basis the directors consider that it is appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments that would result if the company would cease trading.

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.

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.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

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

Tangible assets

tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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:

Fittings fixtures and equipment	-	25 % straight line
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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.

Fixed asset 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.

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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 in finance costs in profit or loss in the period it arises.

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. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

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. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 14 (2021: 14).

6. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	744,781	997,816
Adjustments in respect of previous periods	-	(115,773)
	<u>744,781</u>	<u>882,043</u>
Tax on profit	<u>744,781</u>	<u>882,043</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19.00 % (2021: 19.00%).

	2022	2021
	£	£
Profit before taxation	3,916,633	5,218,151
	<u>744,160</u>	<u>991,449</u>
Profit multiplied by rate of tax	744,160	991,449
Adjustments in respect of prior periods	-	(115,773)
Effect of capital allowances and depreciation	621	6,367
	<u>744,781</u>	<u>882,043</u>
Tax on profit	<u>744,781</u>	<u>882,043</u>

Factors affecting future tax expense

Deferred tax of £40,000 has been provided on the revaluation of the property.

7. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 1 January 2022 and 31 December 2022	329,057	329,057
	<u>329,057</u>	<u>329,057</u>
Amortisation		
At 1 January 2022 and 31 December 2022	329,057	329,057
	<u>329,057</u>	<u>329,057</u>
Carrying amount		
At 31 December 2022	-	-
	<u>-</u>	<u>-</u>
At 31 December 2021	-	-
	<u>-</u>	<u>-</u>

8. Tangible assets

	Freehold property	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2022	1,275,755	132,842	1,408,597
Additions	-	3,814	3,814
At 31 December 2022	1,275,755	136,656	1,412,411
Depreciation			
At 1 January 2022	-	118,466	118,466
Charge for the year	-	8,227	8,227
At 31 December 2022	-	126,693	126,693
Carrying amount			
At 31 December 2022	1,275,755	9,963	1,285,718
At 31 December 2021	1,275,755	14,376	1,290,131

In accordance with the Financial Reporting Standard 102 no depreciation is provided in respect of freehold properties. This is a departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated. The directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of the many elements reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

9. Investments

	Shares in group undertakings and participating interests £	Loans to group undertakings and participating interests £	Total £
Cost			
At 1 January 2022 and 31 December 2022	29,112	225,000	254,112
Impairment			
At 1 January 2022	-	-	-
Other movements	-	225,000	225,000
At 31 December 2022	-	225,000	225,000
Carrying amount			
At 31 December 2022	29,112	-	29,112
At 31 December 2021	29,112	225,000	254,112

The company has a wholly owned subsidiary namely Future Brands GMBH incorporated in Germany.

10. Debtors

	2022 £	2021 £
Trade debtors	3,615,466	2,817,391
Amounts owed by group undertakings and undertakings in which the company has a participating interest	5,736,044	1,039,473
Other debtors	123,912	2,253,875
	9,475,422	6,110,739

11. Investments

	2022 £	2021 £
Other investments	1,717,967	1,716,753

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,242,300	688,297
Corporation tax	207,174	834,138
Social security and other taxes	125,718	258,965
Other creditors	276,993	177,420
	<u>1,852,185</u>	<u>1,958,820</u>

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

	2022	2021
	£	£
Other creditors	1,572,457	1,404,391
	<u>1,572,457</u>	<u>1,404,391</u>

Other creditors include a loan balance of £1,572,457 (31 December 2021 - £1,404,391)

14. Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The company enters into foreign currency contracts to mitigate the exchange rate risks. The forward currency contracts are measured at fair value using forward exchange rates.

15. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Called-up share capital represents the nominal value of shares that have been issued.

16. Reserves

The company has revaluation reserve of £200,000 on the property. In accordance with FRS102 deferred tax of £40,000 has been provided on the revaluation. The profit & loss reserve includes all current and prior year's retained profits and losses

17. Summary audit opinion

The auditor's report for the year dated 30 June 2023 was unqualified.

The senior statutory auditor was Sailesh Rameshchandra Vaghjee for and on behalf of SRV Delson

18. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2022	2021	2022	2021
	£	£	£	£
Future Brands GMBH	13,393	10,694	1,132,997	485,108

The company is also owed an amount of £4,645,548 from companies with common directors. During the year the subsidiary company, Future Brands GMBH made purchases of £5,899 (31 December 2021 - £1,308) and sales of £7,494 (31 December 2021 - £9,385) from Future Brands Limited. All transactions have been carried out on an arm's length basis.

19. Controlling party

During the year, the company was controlled by R. Batra who is a director and shareholder of the company.

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.