

Company Registration No. 07731156 (England and Wales)

**TORCH APPAREL LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# TORCH APPAREL LTD

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# TORCH APPAREL LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Stocks		21,909		38,670	
Debtors	4	35,208		38,177	
Cash at bank and in hand		84,545		52,734	
		<u>141,662</u>		<u>129,581</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(11,423)</u>		<u>(15,884)</u>	
<b>Net current assets</b>			130,239		113,697
<b>Creditors: amounts falling due after more than one year</b>	6		(478,578)		(479,000)
<b>Net liabilities</b>			<u>(348,339)</u>		<u>(365,303)</u>
<b>Capital and reserves</b>					
Called up share capital	7		1,125		563
Share premium account			112,387		112,387
Profit and loss reserves			<u>(461,851)</u>		<u>(478,253)</u>
<b>Total equity</b>			<u>(348,339)</u>		<u>(365,303)</u>

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

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his 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.

The financial statements were approved and signed by the director and authorised for issue on 28 October 2020

H Roper  
Director

Company Registration No. 07731156

# TORCH APPAREL LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Torch Apparel Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Alder Hills Industrial Park, 16 Alder Hills, Poole, Dorset, BH12 4AR.

#### 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 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 Going concern

The director has carefully considered the going concern position of the company and also the impact on the company of the Covid-19 pandemic, as outlined in the post balance sheet events note. This event casts uncertainty and has caused disruption to the future operations of the company. The director will look to use the support offered and implement as many of the measures the government has outlined to minimise the impact and to ensure that they have adequate financial resources to continue in existence for the foreseeable future. In making this assessment, the director has considered a period of 12 months from the date when the financial statements are authorised for issue.

#### 1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# TORCH APPAREL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.5 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:

Computer equipment	3 years straight line
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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.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 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.

##### **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.

# TORCH APPAREL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **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 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 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.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	1	1
	<u>          </u>	<u>          </u>

# TORCH APPAREL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	999
<b>Depreciation and impairment</b>	
At 1 January 2019 and 31 December 2019	999
<b>Carrying amount</b>	
At 31 December 2019	-
At 31 December 2018	-

### 4 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	33,771	35,414
Other debtors	1,437	2,763
	<u>35,208</u>	<u>38,177</u>

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

	2019 £	2018 £
Trade creditors	5,090	8,658
Other creditors	6,333	7,226
	<u>11,423</u>	<u>15,884</u>

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

	2019 £	2018 £
Other creditors	478,578	479,000
	<u>478,578</u>	<u>479,000</u>

### 7 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and not fully paid</b>		
112,500 Ordinary shares of 1p each	1,125	563
	<u>1,125</u>	<u>563</u>

## **TORCH APPAREL LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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#### **8 Directors' transactions**

At the end of the year H Roper, director, was owed £478,578 (2018 - £479,000).

#### **9 Events after the reporting date**

The Covid-19 pandemic is an unprecedented situation but it is important to recognise that, while the reduction in activity associated with Covid-19 could be sharp and large, it is likely to rebound quickly when social distancing measures are lifted. In addition, during the intervening period while activity is disrupted, substantial and substantive government and central bank measures have been put in place in the UK and internationally to support businesses and households. These measures, which have been evolving rapidly and could evolve further, are expected to remain in place throughout the period of disruption.

As these conditions did not exist at the year end, the measurement of assets and liabilities in the accounts have not been adjusted for its potential impact.



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