
VALERIE GRAHAM LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



A19 *A7EZKITK* #394
21/09/2018
COMPANIES HOUSE

VALERIE GRAHAM LIMITED

COMPANY INFORMATION

DIRECTOR	M C Stein
COMPANY SECRETARY	R L Stein
REGISTERED NUMBER	02765712
REGISTERED OFFICE	Q3, The Square Randalls Way Leatherhead Surrey KT22 7TW
ACCOUNTANTS	Rawlinson & Hunter Chartered Accountants Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ

VALERIE GRAHAM LIMITED

CONTENTS

	Page
Unaudited Balance sheet	1 - 2
Notes to the unaudited financial statements	3 - 12

VALERIE GRAHAM LIMITED
REGISTERED NUMBER: 02765712

UNAUDITED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	4	96,975	107,422
Investments	5	200	200
		<u>97,175</u>	<u>107,622</u>
CURRENT ASSETS			
Stocks	6	668,280	834,987
Debtors: amounts falling due within one year	7	1,009,452	796,444
Cash at bank and in hand	8	45,534	10,516
		<u>1,723,266</u>	<u>1,641,947</u>
Creditors: amounts falling due within one year	9	(1,554,280)	(1,388,597)
NET CURRENT ASSETS		<u>168,986</u>	<u>253,350</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>266,161</u>	<u>360,972</u>
Creditors: amounts falling due after more than one year	10	(662,000)	(710,000)
NET LIABILITIES		<u>(395,839)</u>	<u>(349,028)</u>
CAPITAL AND RESERVES			
Called up share capital	12	208,000	208,000
Profit and loss account	13	(603,839)	(557,028)
		<u>(395,839)</u>	<u>(349,028)</u>

VALERIE GRAHAM LIMITED
REGISTERED NUMBER: 02765712

UNAUDITED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the unaudited profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



M C Stein
Director

13 SEP 2018

The notes on pages 3 to 12 form part of these financial statements.

VALERIE GRAHAM LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Valerie Graham Limited ("the company") is a private company, limited by shares, incorporated in England and Wales with registration number of 02765712. The registered office is Q3, The Square, Randalls Way, Leatherhead, Surrey, KT22 7TW.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

2.2 GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The company currently has financing agreements with their bank which requires the company to maintain a minimum net worth of £200,000, where net worth is defined as equity and retained profit. At and since the year end the company has been in technical default of this covenant. However as at the current date the company's bankers have not called for withdrawal of these facilities. Although the bankers continue to support the company's funding requirements, as the company is technically in breach of financing agreement, they could withdraw their support at any time.

The director considers the going concern assumptions to be appropriate as the bank are aware of the current and future trading activity of the company which show when the terms of the covenant will be satisfied.

Additionally the holders of the £612,000 loans included in loans greater than one year do not intend to request repayment for a period of at least one year from the signing of these accounts.

Accordingly the financial statements do not include any adjustments that would result from a withdrawal of the facilities by the company's bankers or the company's failure to raise further finance. If the company were unable to continue in operational existence for the foreseeable future, adjustments would have been made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

2.3 TURNOVER

Turnover represents the fair value of consideration receivable in respect of goods supplied during the year, exclusive of Value Added Tax and trade discount in respect of the principal activity of the company.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 PENSIONS

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.7 TAXATION

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 5 years
Computer equipment	- 3 - 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss

2.11 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 FINANCIAL INSTRUMENTS

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow

VALERIE GRAHAM LIMITED

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (continued)

discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 8 (2016 - 8).

VALERIE GRAHAM LIMITED

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Computer equipment £	Total £
COST			
At 1 January 2017	224,814	178,798	403,612
Additions	4,196	3,386	7,582
At 31 December 2017	<u>229,010</u>	<u>182,184</u>	<u>411,194</u>
DEPRECIATION			
At 1 January 2017	133,032	163,158	296,190
Charge for the year	14,833	3,196	18,029
At 31 December 2017	<u>147,865</u>	<u>166,354</u>	<u>314,219</u>
NET BOOK VALUE			
At 31 December 2017	<u>81,145</u>	<u>15,830</u>	<u>96,975</u>
At 31 December 2016	<u>91,782</u>	<u>15,640</u>	<u>107,422</u>

5. FIXED ASSET INVESTMENTS

	Investment in associate £
COST	
At 1 January 2017	200
At 31 December 2017	<u>200</u>
NET BOOK VALUE	
At 31 December 2017	<u>200</u>
At 31 December 2016	<u>200</u>

VALERIE GRAHAM LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	668,280	834,987
	<u>668,280</u>	<u>834,987</u>

7. DEBTORS

	2017 £	2016 £
Trade debtors	927,473	702,429
Prepayments and accrued income	81,979	94,015
	<u>1,009,452</u>	<u>796,444</u>

8. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	45,534	10,516
	<u>45,534</u>	<u>10,516</u>

VALERIE GRAHAM LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	716,520	517,203
Other loans	207,340	245,840
Trade creditors	207,536	241,279
Other taxation and social security	78,764	74,673
Other creditors	37,855	23,924
Accruals and deferred income	306,265	285,678
	<u>1,554,280</u>	<u>1,388,597</u>

The bank overdraft is secured by a fixed floating charge over all assets of the company, it is repayable on demand and accrues interest at Bank of England base rate plus 5%.

Other loans consists of loans totaling £110,340 (2016 - £120,840) which bear interest at 3% and are repayable on demand. A loan of £17,000 (2016 - £45,000) which bear interest at 4% and are repayable on demand. A loan of £80,000 (2016 - £80,000) which is interest free and repayable on demand.

10. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	612,000	660,000
Share capital treated as debt	50,000	50,000
	<u>662,000</u>	<u>710,000</u>

Secured Loans

Included in other loans is an unsecured loan of £130,000 (2016 - £130,000) which bears interest at 7.5% until repayment on 31 December 2019, and unsecured loan totalling £482,000 (2016 - £530,000) which are interest free.

VALERIE GRAHAM LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	<u>45,534</u>	<u>10,516</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

12. SHARE CAPITAL

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
38,000 Ordinary shares of £1 each	38,000	38,000
170,000 Redeemable Ordinary Shares shares of £1 each	170,000	170,000
	<u>208,000</u>	<u>208,000</u>
	2017 £	2016 £
Shares classified as debt		
Allotted, called up and fully paid		
50,000 8% Redeemable Preference shares of £1 each	<u>50,000</u>	<u>50,000</u>

The redeemable ordinary shares carry no voting rights and rank in priority to the ordinary shares for the amount of capital and any unpaid interest. There is no further right to participate in profits of the company. The shares are redeemable at the company's option.

The preference shares are redeemable and no premium is payable on redemption.

They participate in profits only to the extent of an amount equivalent to 8% per annum of the capital in issue, if the company has profits available. As at the year end, there are no cumulative dividends to be paid to the directors.

On winding up they rank in priority to the ordinary shares for the amount of capital and any unpaid interest. There is no further right to participate in profits of the company.

The preference shares have no rights to vote at meetings of the members.

VALERIE GRAHAM LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. RESERVES

Profit & loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

14. PENSION COMMITMENTS

The company makes contributions to the director's private pension scheme. Contributions totaling £20,390 (2016 - £18,000) were paid to the pension scheme during the year.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	25,213	9,953
Later than 1 year and not later than 5 years	104,833	103,506
Later than 5 years	79,620	106,160
	<u>209,666</u>	<u>219,619</u>

16. POST BALANCE SHEET EVENTS

Under an assets purchase agreement of 4 May 2018 between Valerie Graham Limited and Lifetime Brands Europe Limited, the business of distributing products under the Maxwell & Williams brand was sold for a consideration of £500,000. Stock relating to the Maxwell & Williams brand was also sold to the buyer as part of the agreement.