

REGISTERED NUMBER: 03395567 (England and Wales)

BB (UK) Ltd

Strategic Report, Report of the Directors and

Audited Financial Statements for the Year Ended 31 March 2020

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for the Year Ended 31 March 2020

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BB (UK) Ltd

Company Information
for the Year Ended 31 March 2020

Directors: R Batra
P Rudran
N Santhanam

Secretary: P Rudran

Registered office: Unit 1, Colonial Business Park
Colonial Way
Watford
Hertfordshire
WD24 4PR

Registered number: 03395567 (England and Wales)

Auditors: SRV Delson
Amba House
2nd Floor Delson Suite
15 College Road
Harrow
Middlesex
HA1 1BA

BB (UK) Ltd

Strategic Report
for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Review of business and key performance indicators

Despite the disturbance caused during the 4th quarter due to the pandemic and the consequential sales and supply chain impacts, the business during this year has delivered a reasonable performance. The company has two product divisions, namely Lifestyle and sportswear. The directors consider that the key financial performance indicators are those that monitor the performance in respect of each of these divisions. The key performance indicators used by the business are turnover, gross margin, season on season and year on year forward order books, debtor days, stock turnover days, sell through percentage in the newly developed product categories and the year on year growth in each market. Even though the company's forward sales order book had been satisfactory on a year-on-year basis and the turnover and gross margin had been maintained at an exceptional level the future effects of pandemic started during the 4th quarter and continuing even now is yet to be seen. This was reflective in the company's financial statements.

Principal risks and uncertainties

Just like any other companies in this market sector, our company also continues to face number of risk including the new risk posed by the pandemic. The Board acknowledges that there are risks that may affect the company and actions have been taken to minimise or mitigate any such risk that can be either controlled or is insurable. The credit risk is mitigated by having credit insurance policies and also by following stringent credit control procedures. Currency rate exposures are minimised by booking forward foreign exchange contracts. Stock risk is controlled by encouraging forward orders from customers and by following careful stock purchasing policies. The company maintains robust quality control and perpetual checking process through its sourcing centres to minimise the risk of faulty or sub-standard products


Future developments

The directors anticipate that the business environment will remain even more competitive due to the impacts of the Covid-19 pandemic. However, they believe that the company is in sound financial position and they remain confident that the company and its brands will bounce back in the foreseeable future. To survive and revive the directors have authorised an increased investments and changes in the company's logistics infrastructure, E-commerce platform and future growth areas.

Research and development

The company has currently put in place a perpetual improvement process to undertake research and development with the view to improving the performance of its two licensed brands and to enhance its product offers and to maintain its market edge over its competition. Investing on innovation and embracing future technologies are considered by the board as paramount.

On behalf of the board:



P. Rudran - Director

22 June 2020

BB (UK) Ltd

**Report of the Directors
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

Principal activity

The principal activity of the company in the year under review was that of design, manufacture and wholesale of "Fila" and "Sergio Tacchini" branded sportswear, casual wear and life style products consisting of footwear, apparel and accessories category for men, women and children.

Dividends

No interim dividend was paid during the year. The directors recommend a final dividend of £6 per share.

The total distribution of dividends for the year ended 31 March 2020 will be £300,000.

Future developments

The future development of the company has been reported in the strategic report.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

R Batra
P Rudran

Other changes in directors holding office are as follows:

N Santhanam - appointed 1 April 2019

Events after the end of reporting period

The Covid-19 pandemic and the consequential adverse economic, social, infrastructure and financial impacts in the world and the industry are the important factors to mention as the post balance sheet events.

Engagement with employees

The Company operates an equal opportunities policy. The aim of this policy is to ensure that there should be equal opportunity for all and this applies to external recruitment and internal appointments, terms of employment, conditions of service and opportunity for training and promotion regardless of gender, ethnic origin or disability.

Disabled persons are given full and fair consideration for all types of vacancy in as much as the opportunities available are constrained by the practical limitations of the disability. Should for whatever reason, an employee of the Company become disabled whilst in employment, every step, where appropriate, will be taken to (i) assist with rehabilitation and (ii) arrange suitable retraining. The Company maintains its own health, safety and environmental policies covering all aspects of its operations. Regular meetings and inspections take place to ensure all legal requirements are adhered to and that the Company is responsible for the needs of the employees and the environment.

Within the bounds of commercial confidentiality, the Company endeavours to keep staff at all levels informed of matters that affect the progress of the Company and are of interest to them as employees.

Disclosure in the strategic report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BB (UK) Ltd

Report of the Directors
for the Year Ended 31 March 2020

Auditors

The auditors, SRV Delson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



P Rudran - Director

22 June 2020

BB (UK) Ltd

Directors' Responsibilities Statement
for the Year Ended 31 March 2020

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 of 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Report of the Independent Auditors to the Shareholders of
BB (UK) Ltd

Opinion

We have audited the financial statements of BB (UK) Ltd (the 'company') for the year ended 31 March 2020 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In forming our opinion on the financial statements, which are not qualified, we have considered the adequacy of disclosure made for going concern in these financial statements regarding the company's ability to continue trading as a going concern. The company depends on the availability of confirmed orders and continued support of the directors to continue trading.

These financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Shareholders of
BB (UK) Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

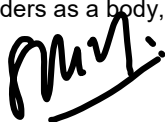
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Sailesh Rameshchandra Vaghjee (Senior Statutory Auditor)
for and on behalf of SRV Delson
Amba House
2nd Floor Delson Suite
15 College Road
Harrow
Middlesex
HA1 1BA

22 June 2020

BB (UK) Ltd

Statement of Profit or Loss
for the Year Ended 31 March 2020

		2020	2019
		£	£
Continuing operations			
Revenue		69,428,564	61,935,606
Cost of sales		<u>(51,748,924)</u>	<u>(46,608,209)</u>
Gross profit		17,679,640	15,327,397
Distribution costs		(886,675)	(777,638)
Administrative expenses		<u>(14,733,633)</u>	<u>(11,474,264)</u>
Operating profit		2,059,332	3,075,495
Finance costs	4	<u>(11,776)</u>	<u>(44,714)</u>
Profit before income tax	5	2,047,556	3,030,781
Income tax	6	<u>(40,518)</u>	<u>(604,201)</u>
Profit for the year		<u><u>2,007,038</u></u>	<u><u>2,426,580</u></u>

The notes on pages 14 to 20 form part of these financial statements

BB (UK) Ltd

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 March 2020

	2020 £	2019 £
Profit for the year	2,007,038	2,426,580
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,007,038</u>	<u>2,426,580</u>

The notes on pages 14 to 20 form part of these financial statements

BB (UK) Ltd**Statement of Financial Position**
31 March 2020

	Notes	2020 £	2019 £
Assets			
Non-current assets			
Intangible assets	9	-	1
Property, plant and equipment	10	394,704	283,409
		<u>394,704</u>	<u>283,410</u>
Current assets			
Inventories	11	3,182,732	5,063,173
Trade and other receivables	12	6,185,871	10,110,981
Cash and cash equivalents	13	4,740,232	318,786
		<u>14,108,835</u>	<u>15,492,940</u>
Total assets		<u><u>14,503,539</u></u>	<u><u>15,776,350</u></u>
Equity			
Shareholders' equity			
Called up share capital	14	50,000	50,000
Share premium	15	4,557	4,557
Retained earnings	15	5,263,414	3,556,376
Total equity		<u>5,317,971</u>	<u>3,610,933</u>
Liabilities			
Non-current liabilities			
Deferred tax	17	37,085	37,085
Current liabilities			
Trade and other payables	16	8,746,153	11,555,967
Tax payable		402,330	572,365
		<u>9,148,483</u>	<u>12,128,332</u>
Total liabilities		<u>9,185,568</u>	<u>12,165,417</u>
Total equity and liabilities		<u><u>14,503,539</u></u>	<u><u>15,776,350</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 June 2020 and were signed on its behalf by:

P Rudran - Director

The notes on pages 14 to 20 form part of these financial statements

BB (UK) Ltd

Statement of Changes in Equity
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2018	50,000	1,429,796	4,557	1,484,353
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	2,426,580	-	2,426,580
Balance at 31 March 2019	<u>50,000</u>	<u>3,556,376</u>	<u>4,557</u>	<u>3,610,933</u>
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	2,007,038	-	2,007,038
Balance at 31 March 2020	<u>50,000</u>	<u>5,263,414</u>	<u>4,557</u>	<u>5,317,971</u>

The notes on pages 14 to 20 form part of these financial statements

BB (UK) Ltd**Statement of Cash Flows
for the Year Ended 31 March 2020**

		2020	2019
		£	£
Cash flows from operating activities			
Cash generated from operations	1	5,195,399	786,887
Interest paid		(11,776)	(44,714)
Tax paid		(210,553)	(224,436)
Net cash from operating activities		<u>4,973,070</u>	<u>517,737</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(251,624)	(301,809)
Net cash from investing activities		<u>(251,624)</u>	<u>(301,809)</u>
Cash flows from financing activities			
Equity dividends paid		(300,000)	(300,000)
Net cash from financing activities		<u>(300,000)</u>	<u>(300,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>4,421,446</u>	<u>(84,072)</u>
Cash and cash equivalents at beginning of year	2	318,786	402,858
Cash and cash equivalents at end of year	2	<u><u>4,740,232</u></u>	<u><u>318,786</u></u>

The notes on pages 14 to 20 form part of these financial statements

BB (UK) Ltd

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2020

1. **Reconciliation of profit before income tax to cash generated from operations**

	2020	2019
	£	£
Profit before income tax	2,047,556	3,030,781
Depreciation charges	140,330	59,386
Finance costs	11,776	44,714
	<hr/>	<hr/>
Decrease/(increase) in inventories	2,199,662	3,134,881
Decrease/(increase) in trade and other receivables	1,880,441	(3,993,007)
(Decrease)/increase in trade and other payables	3,925,110	(4,739,291)
	<hr/>	<hr/>
Cash generated from operations	5,195,399	786,887
	<hr/> <hr/>	<hr/> <hr/>

2. **Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	4,740,232	318,786
	<hr/> <hr/>	<hr/> <hr/>

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	318,786	402,858
	<hr/> <hr/>	<hr/> <hr/>

BB (UK) Ltd

Notes to the Financial Statements **for the Year Ended 31 March 2020**

1. Statutory information

BB (UK) Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is in Pound Sterling (GB£).

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition

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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - at varying rates on cost

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. Accounting policies - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme is charged to the income statement in the period to which they relate.

3. Employees and directors

	2020	2019
	£	£
Wages and salaries	3,452,095	2,835,135
Social security costs	358,366	277,019
Other pension costs	112,508	18,108
	3,922,969	3,130,262

The average number of employees during the year was as follows:

	2020	2019
Production staff	5	4
Distribution staff	23	22
Administrative staff	13	12
Design and Development	34	23
	75	61

	2020	2019
	£	£
Directors' remuneration	999,792	975,000

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Accrued pension at 31 March 2020	8,958	4,001

4. Net finance costs

	2020	2019
	£	£
Finance costs:		
Bank interest	11,776	44,714

5. Profit before income tax

The profit before income tax is stated after charging:

	2020	2019
	£	£
Cost of inventories recognised as expense	51,748,924	46,608,209
Depreciation - owned assets	140,329	59,387
Auditors' remuneration	27,250	22,000

BB (UK) Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

6. **Income tax**

Analysis of tax expense

	2020	2019
	£	£
Current tax:		
Tax	402,228	573,805
Corporation Tax adjustment	(361,710)	-
Total current tax	<u>40,518</u>	<u>573,805</u>
Deferred tax	-	30,396
Total tax expense in statement of profit or loss	<u><u>40,518</u></u>	<u><u>604,201</u></u>

Factors affecting the tax expense

The tax assessed for the year is lower (2019 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before income tax	<u>2,047,556</u>	<u>3,030,781</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	389,036	575,848
Effects of:		
Adjustments in respect of prior periods	(361,710)	1,440
Effect of expenses not deductible for tax purposes	36,264	26,913
Effect of capital allowances and depreciation	(23,072)	(30,396)
Deferred tax adjustments	-	30,396
Tax expense	<u><u>40,518</u></u>	<u><u>604,201</u></u>

7. **Dividends**

	2020	2019
	£	£
Final	<u><u>300,000</u></u>	<u><u>300,000</u></u>

8. **Going concern**

In preparing the financial statements the directors have taken into account all the information that could reasonably be expected to be available together with their continued support

The company is dependent on the availability of orders and the current conditions of Covid 19 are having significant impact upon the orders and the conditions remain challenging.

Based on the results of the company the board consider that the company has sufficient confirmed future orders to maintain its profitability. The directors have reasonable expectations and adequate resources that the company will be able to continue in operations and meet its liabilities as they fall due.

On this basis the financial statements have been prepared by using the going concern basis of accounting because there are no material uncertainties related to events and conditions that may cast significant doubt about the ability of the company to continue as a going concern.

BB (UK) Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

9. **Intangible assets**

	Computer software £
Cost	
At 1 April 2019 and 31 March 2020	<u>24,727</u>
Amortisation	
At 1 April 2019 and 31 March 2020	<u>24,727</u>
Net book value	
At 31 March 2020	<u><u>-</u></u>
	Computer software £
Cost	
At 1 April 2018 and 31 March 2019	<u>24,727</u>
Amortisation	
At 1 April 2018 and 31 March 2019	<u>24,726</u>
Net book value	
At 31 March 2019	<u><u>1</u></u>

10. **Property, plant and equipment**

	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1 April 2019	467,519	5,950	473,469
Additions	<u>251,624</u>	<u>-</u>	<u>251,624</u>
At 31 March 2020	<u>719,143</u>	<u>5,950</u>	<u>725,093</u>
Depreciation			
At 1 April 2019	186,754	3,306	190,060
Charge for year	<u>138,346</u>	<u>1,983</u>	<u>140,329</u>
At 31 March 2020	<u>325,100</u>	<u>5,289</u>	<u>330,389</u>
Net book value			
At 31 March 2020	<u><u>394,043</u></u>	<u><u>661</u></u>	<u><u>394,704</u></u>

BB (UK) Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

10. **Property, plant and equipment - continued**

	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1 April 2018	165,710	5,950	171,660
Additions	301,809	-	301,809
	<hr/>	<hr/>	<hr/>
At 31 March 2019	467,519	5,950	473,469
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2018	129,351	1,322	130,673
Charge for year	57,403	1,984	59,387
	<hr/>	<hr/>	<hr/>
At 31 March 2019	186,754	3,306	190,060
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2019	280,765	2,644	283,409
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. **Inventories**

	2020 £	2019 £
Finished goods	3,182,732	5,063,173
	<hr/> <hr/>	<hr/> <hr/>

12. **Trade and other receivables**

	2020 £	2019 £
Current:		
Trade debtors	5,270,897	10,231,288
Credit Note Provisions	(42,690)	(308,603)
Bad Debt Provision	(134,776)	(252,597)
Other debtors	548,974	97,393
VAT	488,364	228,383
Prepayments	55,102	115,117
	<hr/>	<hr/>
	6,185,871	10,110,981
	<hr/> <hr/>	<hr/> <hr/>

13. **Cash and cash equivalents**

	2020 £	2019 £
Cash in hand	609	321
Bank deposit account	4,739,623	318,465
	<hr/>	<hr/>
	4,740,232	318,786
	<hr/> <hr/>	<hr/> <hr/>

14. **Called up share capital**

Allotted, issued and fully paid:		2020 £	2019 £
Number:	Class:	Nominal value: £1	
50,000	Ordinary		
		50,000	50,000
		<hr/> <hr/>	<hr/> <hr/>

BB (UK) Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

14. **Called up share capital - continued**

The shares have full rights with regards to voting, participation and dividends.

15. **Reserves**

	Retained earnings £	Share premium £	Totals £
At 1 April 2019	3,556,376	4,557	3,560,933
Profit for the year	2,007,038		2,007,038
Dividends	(300,000)		(300,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	5,263,414	4,557	5,267,971
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Retained earnings £	Share premium £	Totals £
At 1 April 2018	1,429,796	4,557	1,434,353
Profit for the year	2,426,580		2,426,580
Dividends	(300,000)		(300,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	3,556,376	4,557	3,560,933
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The share premium, profit and loss reserves include all current and prior retained period profits and losses.

16. **Trade and other payables**

	2020 £	2019 £
Current:		
Trade creditors	6,986,980	7,465,689
Social security and other taxes	427,407	520,910
Other creditors	517,974	2,506,209
Accruals and deferred income	813,792	1,063,159
	<hr/>	<hr/>
	8,746,153	11,555,967
	<hr/> <hr/>	<hr/> <hr/>

17. **Deferred tax**

	2020 £	2019 £
Balance at 1 April	37,085	6,689
	<hr/>	<hr/>
Balance at 31 March	37,085	6,689
	<hr/> <hr/>	<hr/> <hr/>

18. **Ultimate parent company**

The company is a wholly owned subsidiary of Cravatex Limited which is a listed company in the Bombay Stock Exchange.

BB (UK) Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

19. **Related party disclosures**

During the year the company paid fees, expenses and subsistence of £150,000 (31 March 2019 £90,900) to Rudy & Sons Ltd, a company in which P Rudran is also a director.

All transactions have been carried out on an arms length basis and ordinary course of business.

20. **Events after the reporting period**

There are no material adjusting post balance sheet events after the year end.

21. **Ultimate controlling party**

The ultimate controlling interest is held by Cravatex Limited.

BB (UK) Ltd**Reconciliation of Equity
1 April 2018
(Date of Transition to IFRSs)**

	FRS 102	Effect of	IFRSs
	£	transition	£
		to IFRSs	
		£	
Assets			
Non-current assets			
Property, plant and equipment	40,987	-	40,987
Current assets			
Inventories	1,070,166	-	1,070,166
Trade and other receivables	5,297,261	-	5,297,261
Cash and cash equivalents	402,858	-	402,858
Prepayments	74,429	-	74,429
	<u>6,844,714</u>	<u>-</u>	<u>6,844,714</u>
Total assets	<u>6,885,701</u>	<u>-</u>	<u>6,885,701</u>
Shareholders' equity			
Called up share capital	50,000	-	50,000
Share premium	4,557	-	4,557
Retained earnings	1,429,795	-	1,429,795
Total equity	<u>1,484,352</u>	<u>-</u>	<u>1,484,352</u>
Liabilities			
Non-current liabilities			
Deferred tax	6,689	-	6,689
Current liabilities			
Trade and other payables	5,171,664	-	5,171,664
Tax payable	222,996	-	222,996
	<u>5,394,660</u>	<u>-</u>	<u>5,394,660</u>
Total liabilities	<u>5,401,349</u>	<u>-</u>	<u>5,401,349</u>
Total equity and liabilities	<u>6,885,701</u>	<u>-</u>	<u>6,885,701</u>

The notes on pages 14 to 20 form part of these financial statements

BB (UK) Ltd**Reconciliation of Equity - continued****31 March 2019**

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
Assets			
Non-current assets			
Intangible assets	1	-	1
Property, plant and equipment	283,409	-	283,409
	<u>283,410</u>	<u>-</u>	<u>283,410</u>
Current assets			
Inventories	5,063,173	-	5,063,173
Trade and other receivables	10,110,981	-	10,110,981
Cash and cash equivalents	318,786	-	318,786
	<u>15,492,940</u>	<u>-</u>	<u>15,492,940</u>
Total assets	<u>15,776,350</u>	<u>-</u>	<u>15,776,350</u>
Equity			
Shareholders' equity			
Called up share capital	50,000	-	50,000
Share premium	4,557	-	4,557
Retained earnings	3,556,376	-	3,556,376
	<u>3,610,933</u>	<u>-</u>	<u>3,610,933</u>
Liabilities			
Non-current liabilities			
Deferred tax	37,085	-	37,085
Current liabilities			
Trade and other payables	11,555,967	-	11,555,967
Tax payable	572,365	-	572,365
	<u>12,128,332</u>	<u>-</u>	<u>12,128,332</u>
Total liabilities	<u>12,165,417</u>	<u>-</u>	<u>12,165,417</u>
Total equity and liabilities	<u>15,776,350</u>	<u>-</u>	<u>15,776,350</u>

Notes to the reconciliation of equity

The company had adopted FRS 102 and has now been adopted the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

There are no material adjustments required for the company to comply with IFRS.

BB (UK) Ltd

**Reconciliation of Profit
for the Year Ended 31 March 2019**

	FRS 102	Effect of	IFRSs
	£	transition	£
		to IFRSs	
		£	
Revenue	61,935,606	-	61,935,606
Cost of sales	(46,608,209)	-	(46,608,209)
Gross profit	15,327,397	-	15,327,397
Distribution costs	(777,638)	-	(777,638)
Administrative expenses	(11,474,264)	-	(11,474,264)
Finance costs	(44,714)	-	(44,714)
Profit before tax	3,030,781	-	3,030,781
Income tax	(604,201)	-	(604,201)
Profit for the year	2,426,580	-	2,426,580

The notes on pages 14 to 20 form part of these financial statements