BIRTHSPARKS LTD

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

Company Registration No. SC437142 (Scotland)
PAGES FOR FILING WITH REGISTRAR

BIRTHSPARKS LTD

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BIRTHSPARKS LTD

BALANCE SHEET

AS AT 31 MAY 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		23,470		23,323
Tangible assets	4		10,495		8,375
			33,965		31,698
Current assets					
Stocks		20,188		24,070	
Debtors	5	21,124		19,102	
Cash at bank and in hand		3,947		4,544	
		45,259		47,716	
Creditors: amounts falling due within one year	6	(48,427)		(44,671)	
Net current (liabilities)/assets			(3,168)		3,045
Total assets less current liabilities			30,797		34,743
Creditors: amounts falling due after more than one year	7		(116,200)		(93,834)
Net liabilities			(85,403)		(59,091)
Capital and reserves					
Called up share capital	8		119		110
Share premium account			299,929		199,938
Profit and loss reserves			(385,451)		(259,139)
Total equity			(85,403)		(59,091)

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 May 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges her 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.

BIRTHSPARKS LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2019

The financial statements were approved and signed by the director and authorised for issue on 27 February 2020

Mrs Kathleen McNamara
Director

Company Registration No. SC437142

BIRTHSPARKS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

Birthsparks Ltd is a private company limited by shares incorporated in Scotland. The registered office is Unit B2, Olympic Business Park, Drybridge Road, Dundonald, Kilmarnock, Ayrshire, KA2 9BE.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The director has indicated that it is the intention of family members to continue their financial support of the company. For this reason the going concern basis is considered appropriated for the preparation of the financial statements to 31 May 2019.

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.

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Patents	10% Straight Line

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:

Fixtures, fittings & equipment	20% Reducing Balance
Computer equipment	20% Reducing Balance & 20% Straight Line

1 Accounting policies **(Continued)**

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 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

1.8 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 Accounting policies **(Continued)**

1.9 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.

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.

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 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 are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2017 - 4).

3 Intangible fixed assets

	Other
	£
Cost	
At 1 June 2018	26,638
Additions	2,812
At 31 May 2019	29,450
Amortisation and impairment	
At 1 June 2018	3,315
Amortisation charged for the year	2,665
At 31 May 2019	5,980
Carrying amount	
At 31 May 2019	23,470
At 31 May 2018	23,323

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 June 2018	12,421
Additions	4,214
At 31 May 2019	16,635
Depreciation and impairment	
At 1 June 2018	4,046
Depreciation charged in the year	2,094
At 31 May 2019	6,140
Carrying amount	
At 31 May 2019	10,495
At 31 May 2018	8,375

5 Debtors

	2019	2018
Amounts falling due within one year:	**£**	**£**
Trade debtors	3,094	10,699
Other debtors	18,030	8,403
	21,124	19,102

6 Creditors: amounts falling due within one year

	2019	2018
	£	**£**
Bank loans and overdrafts	20,981	15,473
Trade creditors	7,697	5,136
Taxation and social security	5,083	1,254
Other creditors	14,666	22,808
	48,427	44,671

Loans totalling £9,167 are secured by means of a floating charge over the company's assets (2018 - £19,167).

7 Creditors: amounts falling due after more than one year

	2019	2018
	£	**£**
Bank loans and overdrafts	-	9,167
Other creditors	116,200	84,667
	116,200	93,834

8 Called up share capital

	2019	2018
	£	**£**
Ordinary share capital		
Issued and fully paid		
117,650 Ordinary Shares of 0.1p each	118	110
1 (2018: 0) Ordinary A Shares of £1 each	1	-
	119	110

8 Called up share capital **(Continued)**

	2019	2018
	£	£
Reconciliation of movements during the year:		
	Ordinary Number	**Ordinary A Number**
At 1 June 2018	110,011	-
Issue of fully paid shares	7,639	1
At 31 May 2019	117,650	1

During the year the company allotted 7,639 ordinary shares of £0.001 and 1 A ordinary share of £1 for cash at par. The total consideration paid for the shares was £100,000.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
	16,775	27,370

10 Related party transactions

Creditors due after more than one year includes the amount of £110,200 due by the company to the husband of the director (2018 - £78,667). There are no fixed terms for the repayment of this loan, which does not bear interest.