

18 DEGREES BELOW LTD
Unaudited Financial Statements
For the financial year ended 31 January 2024
Pages for filing with the registrar

18 DEGREES BELOW LTD
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 January 2024

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18 DEGREES BELOW LTD
COMPANY INFORMATION
For the financial year ended 31 January 2024

DIRECTORS

Kate Beale (Appointed 01 August 2023)
Paul Antony Beale

REGISTERED OFFICE

Studio 20 The Gantry
1 Waterden Road
London
E15 2HB
England
United Kingdom

COMPANY NUMBER

10548913 (England and Wales)

CHARTERED ACCOUNTANTS

Praxis
1 Poultry
London
EC2R 8EJ
United Kingdom

18 DEGREES BELOW LTD
BALANCE SHEET
As at 31 January 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	3	18,143	24,191
Tangible assets	4	12,668	5,948
		30,811	30,139
Current assets			
Stocks	5	7,450	0
Debtors	6	270,802	200,858
Cash at bank and in hand		27,886	43,406
		306,138	244,264
Creditors: amounts falling due within one year	7	(128,989)	(87,556)
Net current assets		177,149	156,708
Total assets less current liabilities		207,960	186,847
Creditors: amounts falling due after more than one year	8	(36,160)	(57,664)
Provision for liabilities		(2,407)	(1,129)
Net assets		169,393	128,054
Capital and reserves			
Called-up share capital	9	100	100
Profit and loss account		169,293	127,954
Total shareholder's funds		169,393	128,054

For the financial year ending 31 January 2024 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Statement of Income and Retained Earnings has not been delivered.

The financial statements of 18 Degrees Below Ltd (registered number: 10548913) were approved and authorised for issue by the Board of Directors on 30 October 2024. They were signed on its behalf by:

Paul Antony Beale
Director

18 DEGREES BELOW LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 January 2024

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

18 Degrees Below Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Studio 20 The Gantry, 1 Waterden Road, London, E15 2HB, England, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Statement of Income and Retained Earnings in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

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.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Employee benefits

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Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Statement of Income and Retained Earnings in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill	10 years straight line
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Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and business, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Plant and machinery etc.	3 years straight line
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings as described below.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

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.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

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 creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

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NOTES TO THE FINANCIAL STATEMENTS
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Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Employees

	2024	2023
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	8	5

3. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 01 February 2023	60,479	60,479
At 31 January 2024	60,479	60,479
Accumulated amortisation		
At 01 February 2023	36,288	36,288
Charge for the financial year	6,048	6,048
At 31 January 2024	42,336	42,336
Net book value		
At 31 January 2024	18,143	18,143
At 31 January 2023	24,191	24,191

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4. Tangible assets

	Plant and machinery etc.	Total
	£	£
Cost		
At 01 February 2023	37,400	37,400
Additions	13,145	13,145
Disposals	(1,082)	(1,082)
At 31 January 2024	49,463	49,463
Accumulated depreciation		
At 01 February 2023	31,452	31,452
Charge for the financial year	5,703	5,703
Disposals	(360)	(360)
At 31 January 2024	36,795	36,795
Net book value		
At 31 January 2024	12,668	12,668
At 31 January 2023	5,948	5,948

5. Stocks

	2024	2023
	£	£
Stocks	7,450	0

There are no material differences between the replacement cost of stock and the Balance Sheet amounts.

6. Debtors

	2024	2023
	£	£
Trade debtors	75,202	125,786
Amounts owed by Parent undertakings	173,983	61,776
Corporation tax	0	6,003
Other debtors	21,617	7,293
	270,802	200,858

Amounts owed by Parent undertakings are repayable on demand and do not bear interest.

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7. Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans	18,840	18,309
Trade creditors	13,822	6,986
Taxation and social security	79,778	42,933
Other creditors	16,549	19,328
	128,989	87,556
	128,989	87,556

There are no amounts included above in respect of which any security has been given by the small entity.

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

	2024	2023
	£	£
Bank loans	36,160	57,664
	36,160	57,664
	36,160	57,664

There are no amounts included above in respect of which any security has been given by the small entity.

9. Called-up share capital

	2024	2023
	£	£
Allotted, called-up and fully-paid		
50 Ordinary A shares of £ 1.00 each	50	50
25 Ordinary B shares of £ 1.00 each	25	25
25 Ordinary C shares of £ 1.00 each	25	25
	100	100
	100	100

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10. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
within one year	55,830	18,309
between one and five years	242,420	57,664
	298,250	75,973

Pensions

The Company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

	2024	2023
	£	£
Unpaid contributions due to the fund (inc. in other creditors)	638	491

The Company had no material capital commitments at the year ended 31 January 2024.

11. Events after the Balance Sheet date

There have been no events after the balance sheet date affecting the Company since the financial year.

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.