

Company Registration No. 5467213 (England and Wales)

CK MORGAN LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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CK MORGAN LIMITED

COMPANY INFORMATION

Directors	Karan Uppal Narankar Uppal
Secretary	Sumanas Sachdev
Company number	5467213
Registered office	Alexander House 3 Shakespeare Road London N3 IXE
Auditors	Jackson Feldman & Co Alexander House 3 Shakespeare Road London N3 IXE
Business address	169 Commercial Road London E1 2DA

CK MORGAN LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	9 - 15
Detailed trading and profit and loss account	16
Schedule of administrative expenses	17

CK MORGAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report and financial statements for the year ended 30 June 2010

Principal activities and review of the business

The principal activity of the company was that of wholesalers of fashionware

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board

All customers who wish to trade on credit terms are subject to credit verification procedures Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary

Shareholders funds increased from £510,637 to £3,076,537 The increase comprised wholly of retained profits

The company has used the following indicators of performance to assess its development against its financial objectives during the year ended 30th June 2010

Change in revenue This grew 193% from £5,828,816 to £17,107,177

Profitability Profit before taxation increased from £567,460 to £3,551,678

Cash flow Net funds increased by £1,724,259 during the year compared with £685,615 in the prior year

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Future developments

The company anticipates continued growth in turnover and profitability during the current year Further investment in fixed assets has been incurred since the year end however the company anticipates an overall positive cash flow for the year

Directors

The following directors have held office since 1 July 2009

Karan Uppal
Narankar Uppal

Auditors

Jackson Feldman & Co are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

CK MORGAN LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2010**

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Sumanas Sachdev

Secretary

26 October 2010

CK MORGAN LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CK MORGAN LIMITED

We have audited the financial statements of CK MORGAN LIMITED for the year ended 30 June 2010 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' report 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

We were appointed as auditors during the year under review and have not audited the corresponding figures for the year ended 30th June 2009.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 18 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CK MORGAN LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CK MORGAN LIMITED

Matters on which we are required to report by exception

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



**Mr Michael Feldman FCCA (Senior Statutory Auditor)
for and on behalf of Jackson Feldman & Co.**

26 October 2010

Statutory Auditor

Alexander House
3 Shakespeare Road
London N3 IXE

CK MORGAN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 £	2009 £
Turnover	2	17,107,177	5,828,816
Cost of sales		(12,435,855)	(4,696,587)
Gross profit		4,671,322	1,132,229
Administrative expenses		(1,122,861)	(567,071)
Other operating income		2,920	-
Operating profit	3	3,551,381	565,158
Other interest receivable and similar income	4	297	2,302
Profit on ordinary activities before taxation		3,551,678	567,460
Tax on profit on ordinary activities	5	(985,958)	(146,594)
Profit for the year	12	2,565,720	420,866

The notes on pages 9 to 15 form part of these financial statements

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CK MORGAN LIMITED

BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	6	145,360		18,153	
Current assets					
Stocks	7	1,015,847		582,845	
Debtors	8	5,095,983		1,182,343	
Cash at bank and in hand		2,631,694		907,435	
		<u>8,743,524</u>		<u>2,672,623</u>	
Creditors: amounts falling due within one year	9	<u>(5,802,581)</u>		<u>(2,180,139)</u>	
Net current assets		<u>2,940,943</u>		<u>492,484</u>	
Total assets less current liabilities		<u>3,086,303</u>		<u>510,637</u>	
Provisions for liabilities	10	<u>(9,946)</u>		<u>-</u>	
		<u>3,076,357</u>		<u>510,637</u>	
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12	3,076,356		510,636	
Shareholders' funds	13	<u>3,076,357</u>		<u>510,637</u>	

Approved by the Board and authorised for issue on 26 October 2010

Karan Uppal
Director

Company Registration No. 5467213

CK MORGAN LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	£	£
Net cash inflow from operating activities	2,013,226	717,946
Returns on investments and servicing of finance		
Interest received	297	2,302
Net cash inflow for returns on investments and servicing of finance	297	2,302
Taxation	(146,594)	(30,012)
Capital expenditure		
Payments to acquire tangible assets	(142,670)	(4,621)
Net cash outflow for capital expenditure	(142,670)	(4,621)
Net cash inflow before management of liquid resources and financing	1,724,259	685,615
Increase in cash in the year	1,724,259	685,615

CK MORGAN LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010		2009	
		£		£	
	Operating profit	3,551,381		565,158	
	Depreciation of tangible assets	15,463		26,874	
	Increase in stocks	(433,002)		(158,513)	
	Increase in debtors	(3,913,640)		(447,923)	
	Increase in creditors within one year	2,793,024		732,350	
	Net cash inflow from operating activities	2,013,226		717,946	
2	Analysis of net funds	1 July 2009	Cash flow	Other non-cash changes	30 June 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	907,435	1,724,259	-	2,631,694
	Bank deposits	-	-	-	-
	Net funds	907,435	1,724,259	-	2,631,694
3	Reconciliation of net cash flow to movement in net funds	2010		2009	
		£		£	
	Increase in cash in the year	1,724,259		685,615	
	Movement in net funds in the year	1,724,259		685,615	
	Opening net funds	907,435		221,820	
	Closing net funds	2,631,694		907,435	

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	10% per annum straight line
Fixtures, fittings & equipment	20% per annum straight line
Motor vehicles	25% per annum straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

2 Turnover

Geographical market

	Turnover 2010 £	2009 £
United Kingdom	16,318,529	5,828,816
Other European Union	788,648	-
	<u>17,107,177</u>	<u>5,828,816</u>

3 Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Depreciation of tangible assets	15,463	26,874
Operating lease rentals	233,505	139,500
Auditors' remuneration (including expenses and benefits in kind)	24,800	-
and after crediting		
Profit on foreign exchange transactions	<u>(128,102)</u>	<u>(146,799)</u>

4 Investment income

	2010 £	2009 £
Bank interest	297	2,302
	<u>297</u>	<u>2,302</u>

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

5	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	976,012	146,594
	Current tax charge	976,012	146,594
	Deferred tax		
	Deferred tax charge/credit current year	9,946	-
		985,958	146,594
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	3,551,678	567,460
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 25.23%)	994,470	143,170
	Effects of		
	Depreciation add back	4,330	6,801
	Capital allowances	(22,788)	(3,377)
		(18,458)	3,424
	Current tax charge	976,012	146,594

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

6 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2009	-	86,982	37,912	124,894
Additions	23,500	119,170	-	142,670
At 30 June 2010	23,500	206,152	37,912	267,564
Depreciation				
At 1 July 2009	-	69,619	37,122	106,741
Charge for the year	-	14,673	790	15,463
At 30 June 2010	-	84,292	37,912	122,204
Net book value				
At 30 June 2010	23,500	121,860	-	145,360
At 30 June 2009	-	17,363	790	18,153

7 Stocks

	2010 £	2009 £
Finished goods and goods for resale	1,015,847	582,845

8 Debtors

	2010 £	2009 £
Trade debtors	4,961,916	1,124,155
Prepayments and accrued income	134,067	58,188
	5,095,983	1,182,343

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

9 Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	4,246,791	1,660,135
Corporation tax	976,012	146,594
Other taxes and social security costs	226,320	48,105
Directors' current accounts	10,932	256,109
Other creditors	6,669	5,154
Accruals and deferred income	335,857	64,042
	<u>5,802,581</u>	<u>2,180,139</u>

10 Provisions for liabilities

	Deferred tax liability £
Profit and loss account	9,946
Balance at 30 June 2010	<u>9,946</u>

The deferred tax liability is made up as follows

	2010 £	2009 £
Accelerated capital allowances	<u>9,946</u>	<u>-</u>

11 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
1 Ordinary of £1 each	<u>1</u>	<u>1</u>

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2009	510,636
Profit for the year	2,565,720
Balance at 30 June 2010	<u>3,076,356</u>

13 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	2,565,720	420,866
Opening shareholders' funds	<u>510,637</u>	<u>89,771</u>
Closing shareholders' funds	<u>3,076,357</u>	<u>510,637</u>

14 Financial commitments

At 30 June 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2011

	Land and buildings	
	2010 £	2009 £
Operating leases which expire Within one year	<u>216,667</u>	<u>50,000</u>

15 Capital commitments

	2010 £	2009 £
At 30 June 2010 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	<u>189,021</u>	<u>-</u>

16 Directors' remuneration

	2010 £	2009 £
Remuneration for qualifying services	<u>38,668</u>	<u>31,070</u>

CK MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Administration	13	9
Directors	1	1
	<u>14</u>	<u>10</u>

Employment costs

	2010 £	2009 £
Wages and salaries	551,832	233,329
Social security costs	4,217	10,523
	<u>556,049</u>	<u>243,852</u>

18 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

19 Control

The ultimate controlling party is Mr K S Uppal who owns the whole of the company's share capital

20 Related party relationships and transactions

Included in other creditors is a director's loan account of £10,932 (2009 £256,109) owed to Mr K S Uppal. It is unsecured and interest free with no fixed repayment period.