

Company Registration No. 5467213 (England and Wales)

**C K MORGAN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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# C K MORGAN LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Karan Uppal Narankar Uppal Deepal Purohit (Appointed 1 September 2016)
<b>Secretary</b>	Deepal Purohit
<b>Company number</b>	5467213
<b>Registered office</b>	Alexander House 3 Shakespeare Road London N3 IXE
<b>Auditor</b>	Jackson Feldman & Co. Alexander House 3 Shakespeare Road London N3 IXE
<b>Business address</b>	12-14 Chase Road Park Royal London NW10 6EZ

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# C K MORGAN LIMITED

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# **C K MORGAN LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2017**

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The directors present the strategic report for the year ended 30 June 2017.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the directors. The losses of previous years have now been addressed and the company is now trading profitably.

### **Principal risks and uncertainties**

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.

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

### **Development and performance**

Shareholders funds increased from £3,737,652 to £5,536,711. The increase comprised wholly of trading profits.

### **Key performance indicators**

The company has used the following indicators of performance to assess its development against its financial objectives during the year ended 30th June 2017.

Change in revenue. This increased 20% from £27,646,208 to £33,187,147.

Profitability. The company made a post tax profit of £1,799,059 compared with a loss of £356,197 in the prior year.

Cash flow. Net funds decreased by £351,746 during the year.

By order of the board



Deepal Purohit

**Secretary**

5 September 2017

# **C K MORGAN LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2017**

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The directors present their annual report and financial statements for the year ended 30 June 2017.

### **Principal activities**

The principal activity of the company was that of wholesalers of fashionware and branded concessions in high street stores.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Karan Uppal  
Narankar Uppal  
Deepal Purohit

(Appointed 1 September 2016)

### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Future developments**

The company anticipates continued growth in turnover during the current year and to continue to trade profitably.

### **Auditor**

The auditor, Jackson Feldman & Co., is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

By order of the board



Deepal Purohit  
Secretary

5 September 2017

# **C K MORGAN LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2017***

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The directors are responsible for preparing the annual 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.

# **C K MORGAN LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C K MORGAN LIMITED**

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### **Opinion**

We have audited the financial statements of C K MORGAN LIMITED (the 'company') for the year ended 30 June 2017 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 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.

### **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 Auditor's 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our audit:

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

# **C K MORGAN LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF C K MORGAN LIMITED**

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#### **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 and the Directors' Report.

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 3, 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 is 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.

#### **Auditor's 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's 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.



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

5 September 2017

**Chartered & Certified Accountants**  
**Statutory Auditor**

Alexander House  
3 Shakespeare Road  
London N3 IXE



# C K MORGAN LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 JUNE 2017**

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	Notes	2017 £	2016 £
Turnover	3	33,187,147	27,646,208
Cost of sales		(27,671,821)	(24,452,074)
<b>Gross profit</b>		<u>5,515,326</u>	<u>3,194,134</u>
Administrative expenses		(3,716,874)	(3,544,271)
<b>Operating profit/(loss)</b>	4	<u>1,798,452</u>	<u>(350,137)</u>
Interest receivable and similar income	8	756	953
Interest payable and similar expenses	9	-	(7,013)
<b>Profit/(loss) before taxation</b>		<u>1,799,208</u>	<u>(356,197)</u>
Taxation	10	(149)	-
<b>Profit/(loss) for the financial year</b>		<u><u>1,799,059</u></u>	<u><u>(356,197)</u></u>

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

# C K MORGAN LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

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	2017 £	2016 £
Profit/(loss) for the year	1,799,059	(356,197)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,799,059</u>	<u>(356,197)</u>

# C K MORGAN LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	11		42,225		110,638
<b>Current assets</b>					
Stocks	12	4,118,509		4,388,515	
Debtors	13	8,211,077		6,768,628	
Cash at bank and in hand		1,185,527		833,781	
		13,515,113		11,990,924	
<b>Creditors: amounts falling due within one year</b>	14	(8,020,627)		(8,363,910)	
<b>Net current assets</b>			5,494,486		3,627,014
<b>Total assets less current liabilities</b>			5,536,711		3,737,652
<b>Capital and reserves</b>					
Called up share capital	16		1		1
Profit and loss reserves			5,536,710		3,737,651
<b>Total equity</b>			5,536,711		3,737,652

The financial statements were approved by the board of directors and authorised for issue on 5 September 2017 and are signed on its behalf by:

Karan Uppal  
Director

Company Registration No. 5467213

# C K MORGAN LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2015	1	4,093,848	4,093,849
Year ended 30 June 2016:			
Loss and total comprehensive income for the year	-	(356,197)	(356,197)
Balance at 30 June 2016	1	3,737,651	3,737,652
Year ended 30 June 2017:			
Profit and total comprehensive income for the year	-	1,799,059	1,799,059
Balance at 30 June 2017	1	5,536,710	5,536,711

# C K MORGAN LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	20		367,198		(177,267)
Interest paid			-		(7,013)
<b>Net cash inflow/(outflow) from operating activities</b>			367,198		(184,280)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(16,208)		(8,605)	
Interest received		756		953	
<b>Net cash used in investing activities</b>			(15,452)		(7,652)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			351,746		(191,932)
Cash and cash equivalents at beginning of year			833,781		1,025,713
<b>Cash and cash equivalents at end of year</b>			1,185,527		833,781

# **C K MORGAN LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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### **1 Accounting policies**

#### **Company information**

C K MORGAN LIMITED is a private company limited by shares incorporated in England and Wales. The registered office is Alexander House, 3 Shakespeare Road, London N3 IXE.

#### **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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### **1.4 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.

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2017

#### 1 Accounting policies

(Continued)

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:

Land and buildings Leasehold	10% per annum straight line based upon useful economic life of 10 years
Fixtures, fittings & equipment	20% per annum straight line based upon useful economic life of 5 years
Motor vehicles	25% per annum straight line based upon useful economic life of 4 years

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.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

#### 1.6 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.

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

(Continued)

#### 1.7 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.

#### 1.8 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.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

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



# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 1 Accounting policies

(Continued)

#### *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.

#### *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.

#### 1.11 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.

#### 1.12 Retirement benefits

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

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### 1.14 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.

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Useful economic lives of fixed assets

The useful economic lives used by the company in respect of tangible fixed assets are set out in the accounting policies. These estimates are the best estimate based on past experience and expected performance and are regularly reviewed to ensure they remain appropriate.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
<b>Turnover</b>		
Sales of fashionware	33,187,147	27,646,208
	<u>                    </u>	<u>                    </u>
<b>Other significant revenue</b>		
Interest income	756	953
	<u>                    </u>	<u>                    </u>

#### Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	27,314,648	24,686,580
Other European Union	3,358,080	2,533,795
Rest of world	2,514,419	425,833
	<u>                    </u>	<u>                    </u>
	33,187,147	27,646,208
	<u>                    </u>	<u>                    </u>

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 4 Operating profit/(loss)

	2017 £	2016 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	408,316	337,025
Depreciation of owned tangible fixed assets	84,621	83,155
Cost of stocks recognised as an expense	27,263,505	24,115,049
Operating lease charges	371,768	371,297
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	16,500	16,500
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	21,200	21,000
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administration	55	64
Directors	3	2
	<u>          </u>	<u>          </u>
	58	66
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,389,462	1,258,423
Social security costs	131,438	102,979
Pension costs	7,273	7,667
	<u>          </u>	<u>          </u>
	1,528,173	1,369,069
	<u>          </u>	<u>          </u>

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	246,871	-
Company pension contributions to defined contribution schemes	319	-
	<u>247,190</u>	<u>-</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	246,871	-
Company pension contributions to defined contribution schemes	319	-
	<u>247,190</u>	<u>-</u>

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	756	953
	<u>756</u>	<u>953</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	756	953
	<u>756</u>	<u>953</u>

### 9 Interest payable and similar expenses

	2017 £	2016 £
<b>Other finance costs:</b>		
Other interest	-	7,013
	<u>-</u>	<u>7,013</u>

### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	149	-
	<u>149</u>	<u>-</u>

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2017

#### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit/(loss) before taxation	1,799,208	(356,197)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	355,344	(71,239)
Tax effect of expenses that are not deductible in determining taxable profit	1,382	1,402
Tax effect of utilisation of tax losses not previously recognised	(364,763)	-
Unutilised tax losses carried forward	-	61,504
Change in unrecognised deferred tax assets	6,902	7,033
Depreciation on assets not qualifying for tax allowances	1,284	1,300
Taxation charge for the year	149	-

The company has estimated tax losses of £1,009,561 (2016 £2,856,459) available for carrying forward against future trading profits.

The company has an unrecognised deferred tax asset of £19,023 (2016 £13,035) at the balance sheet date. This asset has not been recognised as its recovery is subject to future trading profits.

#### 11 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2016	65,000	791,527	37,912	894,439
Additions	-	16,208	-	16,208
At 30 June 2017	65,000	807,735	37,912	910,647
<b>Depreciation and impairment</b>				
At 1 July 2016	39,000	706,889	37,912	783,801
Depreciation charged in the year	6,500	78,121	-	84,621
At 30 June 2017	45,500	785,010	37,912	868,422
<b>Carrying amount</b>				
At 30 June 2017	19,500	22,725	-	42,225
At 30 June 2016	26,000	84,638	-	110,638

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 12 Stocks

	2017 £	2016 £
Finished goods and goods for resale	4,118,509	4,388,515

### 13 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	7,961,958	6,420,012
Other debtors	75,754	128,312
Prepayments and accrued income	173,365	220,304
	8,211,077	6,768,628

### 14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	6,284,867	6,928,720
Corporation tax	149	-
Other taxation and social security	431,684	471,694
Other creditors	42,542	42,062
Accruals and deferred income	1,261,385	921,434
	8,020,627	8,363,910

### 15 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	7,273	7,667

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 16 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary of £1 each	1	1

# C K MORGAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 17 Operating lease commitments

#### Lessee

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

	2017 £	2016 £
Within one year	371,768	369,922
Between two and five years	702,875	1,229,688
In over five years	-	75,000
	<u>1,074,643</u>	<u>1,674,610</u>

### 18 Directors' transactions

Included in other creditors is an amount of £8,539 (2016 £11,571) owed to Mr. K. S. Uppal. It is unsecured and interest free with no fixed repayment period.

### 19 Controlling party

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

### 20 Cash generated from operations

	2017 £	2016 £
Profit/(loss) for the year after tax	1,799,059	(356,197)
<b>Adjustments for:</b>		
Taxation charged	149	-
Finance costs	-	7,013
Investment income	(756)	(953)
Depreciation and impairment of tangible fixed assets	84,621	83,155
<b>Movements in working capital:</b>		
Decrease in stocks	270,006	2,655,051
(Increase)/decrease in debtors	(1,442,449)	213,945
(Decrease) in creditors	(343,432)	(2,779,281)
<b>Cash generated from/(absorbed by) operations</b>	<u>367,198</u>	<u>(177,267)</u>