

Company Registration No. 5467213 (England and Wales)

C K MORGAN LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016



C K MORGAN LIMITED

COMPANY INFORMATION

Directors	Karan Uppal Narankar Uppal Deepal Purohit (Appointed 1 September 2016)
Secretary	Deepal Purohit
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	12-14 Chase Road Park Royal London NW10 6EZ

C K MORGAN LIMITED

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C K MORGAN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present the strategic report and financial statements for the year ended 30 June 2016.

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 been addressed and the company is now trading profitably.

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 decreased from £4,093,849 to £3,737,652. The decrease comprised wholly of trading losses

The company has used the following indicators of performance to assess its development against its financial objectives during the year ended 30th June 2016.

Change in revenue. This decreased 18% from £33,679,953 to £27,646,208.

Profitability. Losses before taxation fell from £1,368,836 to £356,197.

Cash flow. Net funds decreased by £191,932 during the year.

On behalf of the board



Deepal Purohit
Director

21 September 2016

C K MORGAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and financial statements for the year ended 30 June 2016.

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

Future developments

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

Directors

The following directors have held office since 1 July 2015:

Karan Uppal

Narankar Uppal

Deepal Purohit

(Appointed 1 September 2016)

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

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.

On behalf of the board



Deepal Purohit

Director

21 September 2016

C K MORGAN LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF C K MORGAN LIMITED

We have audited the financial statements of C K MORGAN LIMITED for the year ended 30 June 2016 set out on pages 6 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 and express an opinion on 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.

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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its loss 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

C K MORGAN LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBER OF C K 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.



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

21 September 2016

**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 2016

	Notes	2016 £	2015 £
Turnover	2	27,646,208	33,679,953
Cost of sales		(24,452,074)	(30,696,394)
Gross profit		3,194,134	2,983,559
Administrative expenses		(3,544,271)	(4,353,377)
Operating loss	3	(350,137)	(1,369,818)
Other interest receivable and similar income	4	953	982
Interest payable and similar charges	5	(7,013)	-
Loss on ordinary activities before taxation		(356,197)	(1,368,836)
Tax on loss on ordinary activities	6	-	-
Loss for the year	13	(356,197)	(1,368,836)

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.

C K MORGAN LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	7		110,638		185,188
Current assets					
Stocks	8	4,388,515		7,043,566	
Debtors	9	6,768,628		6,982,573	
Cash at bank and in hand		833,781		1,025,713	
		11,990,924		15,051,852	
Creditors: amounts falling due within one year	10	(8,363,910)		(11,143,191)	
Net current assets			3,627,014		3,908,661
Total assets less current liabilities			3,737,652		4,093,849
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		3,737,651		4,093,848
Shareholder's funds	14		3,737,652		4,093,849

Approved by the Board and authorised for issue on 21 September 2016

Karan Uppal
Director

Company Registration No. 5467213

C K MORGAN LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	£	2016 £	£	2015 £
Net cash outflow from operating activities		(177,267)		(345,330)
Returns on investments and servicing of finance				
Interest received	953		982	
Interest paid	(7,013)		-	
	<u> </u>		<u> </u>	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(6,060)		982
Taxation		-		13,596
Capital expenditure				
Payments to acquire tangible assets	(8,605)		(1,969)	
	<u> </u>		<u> </u>	
Net cash outflow for capital expenditure		(8,605)		(1,969)
		<u> </u>		<u> </u>
Net cash outflow before management of liquid resources and financing		(191,932)		(332,721)
		<u> </u>		<u> </u>
Decrease in cash in the year		(191,932)		(332,721)
		<u> </u>		<u> </u>

C K MORGAN LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

1 Reconciliation of operating loss to net cash outflow from operating activities	2016	2015
	£	£
Operating loss	(350,137)	(1,369,818)
Depreciation of tangible assets	83,155	143,029
Decrease/(increase) in stocks	2,655,051	(1,197,458)
Decrease/(increase) in debtors	213,945	(690,399)
(Decrease)/Increase in creditors within one year	(2,779,281)	2,769,316
Net cash outflow from operating activities	(177,267)	(345,330)

2 Analysis of net funds	1 July 2015	Cash flow	Other non-	30 June 2016
	£	£	cash changes	£
Net cash:				
Cash at bank and in hand	1,025,713	(191,932)	-	833,781
Bank deposits	-	-	-	-
Net funds	1,025,713	(191,932)	-	833,781

3 Reconciliation of net cash flow to movement in net funds	2016	2015
	£	£
Decrease in cash in the year	(191,932)	(332,721)
Movement in net funds in the year	(191,932)	(332,721)
Opening net funds	1,025,713	1,358,434
Closing net funds	833,781	1,025,713

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 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.

1.9 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.

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

2 Turnover

Geographical market

	Turnover	
	2016	2015
	£	£
United Kingdom	24,686,580	29,793,786
Other European Union	2,533,795	3,552,185
Rest of world	425,833	333,982
	<u>27,646,208</u>	<u>33,679,953</u>

3 Operating loss

Operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	83,155	143,029
Loss on foreign exchange transactions	337,025	821,169
Operating lease rentals	371,297	371,789
	<u>791,477</u>	<u>1,335,987</u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Bookkeeping & payroll	16,500	13,500
	21,000	26,350
	<u>37,500</u>	<u>39,850</u>

4 Investment income

	2016	2015
	£	£
Bank interest	953	923
Other interest	-	59
	<u>953</u>	<u>982</u>

5 Interest payable

	2016	2015
	£	£
On overdue tax	7,013	-
	<u>7,013</u>	<u>-</u>

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

6	Taxation	2016 £	2015 £
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(356,197)	(1,368,836)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 - 20.00%)	(71,239)	(273,767)
	Effects of:		
	Non deductible expenses	1,402	-
	Depreciation add back	16,631	28,606
	Capital allowances	(8,298)	(8,415)
	Tax losses carried forward	61,504	253,576
		71,239	273,767
	Current tax charge for the year	-	-

The company has estimated losses of £ 2,856,459 (2015 - £ 2,548,939) available for carry forward against future trading profits.

7	Tangible fixed assets	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
	Cost				
	At 1 July 2015	65,000	782,922	37,912	885,834
	Additions	-	8,605	-	8,605
	At 30 June 2016	65,000	791,527	37,912	894,439
	Depreciation				
	At 1 July 2015	32,500	630,234	37,912	700,646
	Charge for the year	6,500	76,655	-	83,155
	At 30 June 2016	39,000	706,889	37,912	783,801
	Net book value				
	At 30 June 2016	26,000	84,638	-	110,638
	At 30 June 2015	32,500	152,688	-	185,188

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

8	Stocks	2016	2015
		£	£
	Finished goods and goods for resale	4,388,515	7,043,566
9	Debtors	2016	2015
		£	£
	Trade debtors	6,420,012	6,808,828
	Other debtors	128,312	7,325
	Prepayments and accrued income	220,304	166,420
		6,768,628	6,982,573
10	Creditors: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	6,928,720	9,836,829
	Taxes and social security costs	471,694	67,640
	Directors' current accounts	11,571	11,571
	Other creditors	30,491	53,045
	Accruals and deferred income	921,434	1,174,106
		8,363,910	11,143,191
11	Retirement Benefits		
	Defined contribution scheme		
	The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.		
		2016	2015
		£	£
	Contributions payable by the company for the year	7,667	10,549
12	Share capital	2016	2015
		£	£
	Allotted, called up and fully paid		
	1 Ordinary of £1 each	1	1

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2015	4,093,848
Loss for the year	(356,197)
Balance at 30 June 2016	<u>3,737,651</u>

14 Reconciliation of movements in Shareholder's funds

	2016 £	2015 £
Loss for the financial year	(356,197)	(1,368,836)
Opening Shareholder's funds	<u>4,093,849</u>	<u>5,462,685</u>
Closing Shareholder's funds	<u>3,737,652</u>	<u>4,093,849</u>

15 Financial commitments

At 30 June 2016 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2017:

	Land and buildings	
	2016 £	2015 £
Operating leases which expire:		
In over five years	<u>371,756</u>	<u>369,922</u>

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

16 Employees

Number of employees

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

	2016 Number	2015 Number
Administration	64	72
Directors	2	2
	<u>66</u>	<u>74</u>

Employment costs

	2016 £	2015 £
Wages and salaries	1,258,423	1,440,872
Social security costs	102,979	119,623
Other pension costs	7,667	10,549
	<u>1,369,069</u>	<u>1,571,044</u>

17 Control

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

18 Related party relationships and transactions

Other transactions

Directors' current accounts referred to in note 11 are represented by an amount of £11,571 (2015 £11,571) owed to Mr. K. S. Uppal. It is unsecured and interest free with no fixed repayment period.