

Company Registration No. 5467213 (England and Wales)

C K MORGAN LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

THURSDAY



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C K MORGAN LIMITED

COMPANY INFORMATION

Directors	Karan Uppal Narankar Uppal
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 2014

The directors present the strategic report and financial statements for the year ended 30 June 2014.

Review of the business

The results for the year and the financial position at the year end were not considered satisfactory by the directors who expect improved profitability in the current year.

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 £6,849,268 to £5,462,685. 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 2014.

Change in revenue. This increased 23% from £27,147,013 to £33,357,995.

Profitability. Profit before taxation fell from £121,796 to a loss of £1,427,255.

Cash flow. Net funds increased by £236,365 during the year.

By order of the board

Deepal Purohit
Secretary

6 November 2014

C K MORGAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and financial statements for the year ended 30 June 2014.

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 2013:

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.

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 2014

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



Deepal Poronit
Secretary

12 December 2014

C K MORGAN LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF C K MORGAN LIMITED

We have audited the financial statements of C K MORGAN LIMITED for the year ended 30 June 2014 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, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 16 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. 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 2014 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.

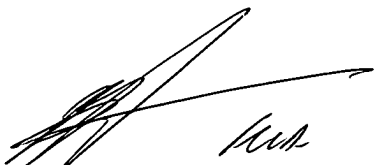
C K MORGAN LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS 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 (Senior Statutory Auditor)
for and on behalf of Jackson Feldman & Co.

12 December 2014

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 2014

	Notes	2014 £	2013 £
Turnover	2	33,357,995	27,147,013
Cost of sales		(30,536,168)	(23,180,951)
Gross profit		2,821,827	3,966,062
Administrative expenses		(4,248,666)	(3,846,254)
Operating (loss)/profit	3	(1,426,839)	119,808
Other interest receivable and similar income	4	4,373	2,760
Interest payable and similar charges	5	(4,789)	(772)
(Loss)/profit on ordinary activities before taxation		(1,427,255)	121,796
Tax on (loss)/profit on ordinary activities	6	40,672	(22,657)
(Loss)/profit for the year	12	(1,386,583)	99,139

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 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7		326,248		452,591
Current assets					
Stocks	8	5,846,108		7,066,975	
Debtors	9	6,305,770		5,851,068	
Cash at bank and in hand		1,358,434		1,122,069	
		13,510,312		14,040,112	
Creditors: amounts falling due within one year	10	(8,373,875)		(7,616,359)	
Net current assets			5,136,437		6,423,753
Total assets less current liabilities			5,462,685		6,876,344
Provisions for liabilities			-		(27,076)
			5,462,685		6,849,268
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12	5,462,684		6,849,267	
Shareholders' funds	13	5,462,685		6,849,268	

Approved by the Board and authorised for issue on 12 December 2014

Karan Uppal
Director

Company Registration No. 5467213

C K MORGAN LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	£	2014 £	£	2013 £
Net cash inflow/(outflow) from operating activities		89,426		(33,727)
Returns on investments and servicing of finance				
Interest received	4,373		2,760	
Interest paid	(4,789)		(772)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(416)		1,988
Taxation		166,404		(452,816)
Capital expenditure				
Payments to acquire tangible assets	(19,049)		(344,763)	
Net cash outflow for capital expenditure		(19,049)		(344,763)
Net cash inflow/(outflow) before management of liquid resources and financing		236,365		(829,318)
Increase/(decrease) in cash in the year		236,365		(829,318)

C K MORGAN LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

1 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities		2014	2013
		£	£
Operating (loss)/profit		(1,426,839)	119,808
Depreciation of tangible assets		145,392	142,408
Decrease/(increase) in stocks		1,220,867	(2,709,435)
Increase in debtors		(607,510)	(1,198,222)
Increase in creditors within one year		757,516	3,611,714
Net cash inflow/(outflow) from operating activities		89,426	(33,727)

2 Analysis of net funds	1 July 2013	Cash flow	Other non-cash changes	30 June 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,122,069	236,365	-	1,358,434
Bank deposits	-	-	-	-
Net funds	1,122,069	236,365	-	1,358,434

3 Reconciliation of net cash flow to movement in net funds		2014	2013
		£	£
Increase/(decrease) in cash in the year		236,365	(829,318)
Movement in net funds in the year		236,365	(829,318)
Opening net funds		1,122,069	1,951,387
Closing net funds		1,358,434	1,122,069

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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.

2 Turnover

Geographical market

	Turnover	
	2014	2013
	£	£
United Kingdom	29,652,169	24,027,871
Other European Union	3,705,826	3,119,142
	<u>33,357,995</u>	<u>27,147,013</u>

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

3	Operating (loss)/profit	2014	2013
		£	£
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	145,392	142,408
	Loss on foreign exchange transactions	20,837	315,025
	Operating lease rentals	372,127	371,481
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	12,000	10,000
	Bookkeeping & payroll	18,200	16,800
		<u> </u>	<u> </u>
		30,200	26,800
		<u> </u>	<u> </u>
4	Investment income	2014	2013
		£	£
	Bank interest	4,373	2,760
		<u> </u>	<u> </u>
		4,373	2,760
		<u> </u>	<u> </u>
5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	3,608	-
	On overdue tax	1,181	772
		<u> </u>	<u> </u>
		4,789	772
		<u> </u>	<u> </u>

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

6	Taxation	2014 £	2013 £
	U.K. corporation tax	(13,596)	13,596
	Total current tax	<u>(13,596)</u>	<u>13,596</u>
	Deferred tax		
	Deferred tax charge/credit current year	(27,076)	12,063
	Effects of changes in tax rates and laws	-	(3,002)
		<u>(27,076)</u>	<u>9,061</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(1,427,255)</u>	<u>121,796</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	<u>(285,451)</u>	<u>24,359</u>
	Effects of:		
	Non deductible expenses	156	-
	Depreciation add back	29,078	28,481
	Capital allowances	(13,591)	(39,244)
	Tax losses carried forward	256,212	-
		<u>271,855</u>	<u>(10,763)</u>
	Current tax charge for the year	<u>(13,596)</u>	<u>13,596</u>

The company has estimated losses of £ 1,281,058 (2013 - £ nil) available for carry forward against future trading profits.

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2013	65,000	761,904	37,912	864,816
Additions	-	19,049	-	19,049
At 30 June 2014	65,000	780,953	37,912	883,865
Depreciation				
At 1 July 2013	19,500	354,813	37,912	412,225
Charge for the year	6,500	138,892	-	145,392
At 30 June 2014	26,000	493,705	37,912	557,617
Net book value				
At 30 June 2014	39,000	287,248	-	326,248
At 30 June 2013	45,500	407,091	-	452,591

8 Stocks	2014 £	2013 £
Finished goods and goods for resale	5,846,108	7,066,975

9 Debtors	2014 £	2013 £
Trade debtors	6,017,456	4,781,968
Corporation tax	13,596	166,404
Other debtors	110,645	760,464
Prepayments and accrued income	164,073	142,232
	6,305,770	5,851,068

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

10 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	7,049,777	6,461,879
Taxes and social security costs	33,711	26,015
Directors' current accounts	5,235	-
Other creditors	35,369	39,992
Accruals and deferred income	1,249,783	1,088,473
	<u>8,373,875</u>	<u>7,616,359</u>
11 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
1 Ordinary of £1 each	<u>1</u>	<u>1</u>
12 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 July 2013		6,849,267
Loss for the year		(1,386,583)
Balance at 30 June 2014		<u>5,462,684</u>
13 Reconciliation of movements in Shareholders' funds	2014	2013
	£	£
(Loss)/Profit for the financial year	(1,386,583)	99,139
Opening Shareholders' funds	<u>6,849,268</u>	<u>6,750,129</u>
Closing Shareholders' funds	<u>5,462,685</u>	<u>6,849,268</u>

C K MORGAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

14 Financial commitments

At 30 June 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
In over five years	371,247	372,147

15 Employees

Number of employees

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

	2014	2013
	Number	Number
Administration	69	64
Directors	2	2
	71	66

Employment costs

	2014	2013
	£	£
Wages and salaries	1,305,048	1,074,814
Social security costs	97,918	87,586
	1,402,966	1,162,400

16 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.

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 10 are represented by an amount of £5,235 (2013 £-) owed to Mr. K. S. Uppal. It is unsecured and interest free with no fixed repayment period.