

CENTRAL TRADE LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2018



Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Consolidated Income Statement	5
Consolidated Other Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16

CENTRAL TRADE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH NOVEMBER 2018

DIRECTORS:

R K Lusk
C W Lusk

SECRETARY:

Mrs S D Ludvigsen-Lusk

REGISTERED OFFICE:

1 Addison Bridge Place
Kensington
London
W14 8XP

REGISTERED NUMBER:

01741863 (England and Wales)

ACCOUNTANTS:

Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

The directors present their strategic report of the company and the group for the year ended 30th November 2018.

REVIEW OF BUSINESS

The Directors note that turnover has decreased considerably due to the loss of a long standing distributorship agreement with a foreign shoe supplier as well as the fact that its retailing subsidiary The Boot Tree Limited entered into a Creditors Voluntary Liquidation on 5th October 2018, after sustaining many years of losses.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates a treasury function appropriate for the scale and complexity of its business, which is responsible for managing the liquidity, interest and foreign currency risks within the company's activities.

The company's principal financial instruments include trade receivables and trade payables arising directly from its operations.

Liquidity Risk

The company manages all aspects of its cash requirements in order to ensure the company has sufficient liquid resources to meet the operating needs of its business. Part of this process is the maintaining of a close relationship with the company's bankers.

Interest Rate Risk

The company is exposed to cash flow interest rate risk on floating rate deposits. The interest rate risk exposure is currently not material to the company's activities and this risk is managed by regular monitoring rather than through interest rate derivatives.

Foreign Currency Risk

The company's principal foreign currency exposure arises from its suppliers. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Credit Risk

Any cash surpluses are invested in banks that are approved by the board of directors. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

KEY PERFORMANCE INDICATORS

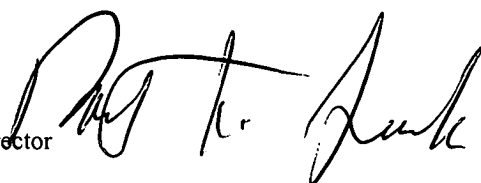
Challenges to the business continue to include the difficult economic environment and consumer confidence.

The key financial and other performance indicators during the period were as follows:

	2018 £	2017 £
Turnover	7,733,044	12,129,668
Gross Profit Margins (%)	22.77	39.03
Profit/(Loss) on ordinary activities after taxation	(2,327,880)	717,844

ON BEHALF OF THE BOARD:

R K Lusk - Director



20th November 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

The directors present their report with the financial statements of the company and the group for the year ended 30th November 2018.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of footwear retailers and wholesalers.

DIVIDENDS

Interim dividends amounting to £180,000 (2017 - £270,000) were paid during the year. A final dividend of £Nil (2017 - £Nil) was voted at the year end.

FUTURE DEVELOPMENTS

The Directors are looking forward in the medium term, to the strong performance of new brands they have taken on, and the expansion of these into Europe.

DIRECTORS

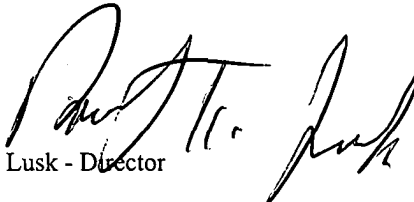
The directors shown below have held office during the whole of the period from 1st December 2017 to the date of this report.

R K Lusk
C W Lusk

IMPACT OF THE FOREIGN CURRENCY

The company is exposed to the fluctuations in the euro and US dollar arising from its main supplier being located within the euro zone and Australia.

ON BEHALF OF THE BOARD:


R K Lusk - Director

20th November 2019

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Notes	2018 Continuing £	2018 Discontinued £	2018 Total £
TURNOVER	4	5,867,390	1,865,654	7,733,044
Cost of sales		(4,379,408)	(1,592,657)	(5,972,065)
GROSS PROFIT		1,487,982	272,997	1,760,979
Distribution costs		(866,543)	(580,049)	(1,446,592)
Administrative expenses		(1,330,811)	(1,323,251)	(2,654,062)
		(709,372)	(1,630,303)	(2,339,675)
Other operating income		12,423	-	12,423
OPERATING LOSS	6	(696,949)	(1,630,303)	(2,327,252)
Interest receivable and similar income		6,999	-	6,999
Amounts written off investments		-	-	-
Interest payable and similar expenses	8	(7,627)	-	(7,627)
LOSS BEFORE TAXATION		(697,577)	(1,630,303)	(2,327,880)
Tax on loss	9	21,878	-	21,878
LOSS FOR THE FINANCIAL YEAR		(675,699)	(1,630,303)	(2,306,002)
Loss attributable to: Owners of the parent				(2,306,002)

The notes form part of these financial statements

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Notes	2017 Continuing £	2017 Discontinued £	2017 Total £
TURNOVER	4	12,129,668	-	12,129,668
Cost of sales		(7,395,151)	-	(7,395,151)
GROSS PROFIT		4,734,517	-	4,734,517
Distribution costs		(1,850,208)	-	(1,850,208)
Administrative expenses		(2,232,945)	-	(2,232,945)
		651,364	-	651,364
Other operating income		21	-	21
OPERATING PROFIT	6	651,385	-	651,385
Interest receivable and similar income		308	-	308
Amounts written off investments		-	-	-
Interest payable and similar expenses	8	(16,283)	-	(16,283)
PROFIT BEFORE TAXATION		635,410	-	635,410
Tax on profit	9	82,434	-	82,434
PROFIT FOR THE FINANCIAL YEAR		717,844	-	717,844
Profit attributable to: Owners of the parent				717,844

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Notes	2018 £	2017 £
(LOSS)/PROFIT FOR THE YEAR		(2,306,002)	717,844
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(2,306,002)</u>	<u>717,844</u>
Total comprehensive income attributable to: Owners of the parent		<u>(2,306,002)</u>	<u>717,844</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30TH NOVEMBER 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	12	7,500	-
Tangible assets	13	584,213	789,304
Investments	14	-	-
		<u>591,713</u>	<u>789,304</u>
CURRENT ASSETS			
Stocks	15	2,308,461	4,688,070
Debtors	16	1,506,238	1,233,179
Cash at bank and in hand		1,411,546	1,370,457
		<u>5,226,245</u>	<u>7,291,706</u>
CREDITORS			
Amounts falling due within one year	17	<u>2,006,079</u>	<u>1,735,775</u>
NET CURRENT ASSETS		<u>3,220,166</u>	<u>5,555,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,811,879</u>	<u>6,345,235</u>
CREDITORS			
Amounts falling due after more than one year	18	-	(15,509)
PROVISIONS FOR LIABILITIES	20	<u>(50,600)</u>	<u>(82,446)</u>
NET ASSETS		<u><u>3,761,279</u></u>	<u><u>6,247,280</u></u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - continued
30TH NOVEMBER 2018

	Notes	2018 £	2017 £
CAPITAL AND RESERVES			
Called up share capital	21	200	200
Retained earnings	22	3,761,079	6,247,080
SHAREHOLDERS' FUNDS		<u>3,761,279</u>	<u>6,247,280</u>

The company and the group are entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th November 2018.

The members have not required the company and the group to obtain an audit of its financial statements for the year ended 30th November 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the group keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company and the group as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company and the group.

The financial statements were approved by the Board of Directors on 20th November 2019 and were signed on its behalf by:

R K Lusk - Director



COMPANY BALANCE SHEET
30TH NOVEMBER 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	12	7,500	-
Tangible assets	13	483,728	677,160
Investments	14	126,476	126,576
		<u>617,704</u>	<u>803,736</u>
CURRENT ASSETS			
Stocks	15	1,101,543	2,784,406
Debtors	16	1,782,587	1,302,665
Cash at bank and in hand		1,150,489	891,527
		<u>4,034,619</u>	<u>4,978,598</u>
CREDITORS			
Amounts falling due within one year	17	723,412	926,586
NET CURRENT ASSETS			
		<u>3,311,207</u>	<u>4,052,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		3,928,911	4,855,748
CREDITORS			
Amounts falling due after more than one year	18	-	(15,509)
PROVISIONS FOR LIABILITIES			
	20	(50,600)	(82,446)
NET ASSETS			
		<u><u>3,878,311</u></u>	<u><u>4,757,793</u></u>

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
30TH NOVEMBER 2018

	Notes	2018 £	2017 £
CAPITAL AND RESERVES			
Called up share capital	21	200	200
Retained earnings	22	3,878,111	4,757,593
SHAREHOLDERS' FUNDS		<u>3,878,311</u>	<u>4,757,793</u>
Company's loss for the financial year		<u>(699,482)</u>	<u>(770,744)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th November 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30th November 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 20th November 2019 and were signed on its behalf by:

R K Lusk - Director



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st December 2016	200	5,799,236	5,799,436
Changes in equity			
Dividends	-	(270,000)	(270,000)
Total comprehensive income	-	717,844	717,844
Balance at 30th November 2017	200	6,247,080	6,247,280
Changes in equity			
Dividends	-	(180,000)	(180,000)
Total comprehensive income	-	(2,306,002)	(2,306,002)
Balance at 30th November 2018	200	3,761,078	3,761,278

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st December 2016	200	5,798,337	5,798,537
Changes in equity			
Dividends	-	(270,000)	(270,000)
Total comprehensive income	-	(770,744)	(770,744)
Balance at 30th November 2017	200	4,757,593	4,757,793
Changes in equity			
Dividends	-	(180,000)	(180,000)
Total comprehensive income	-	(699,482)	(699,482)
Balance at 30th November 2018	200	3,878,111	3,878,311

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	356,152	520,149
Interest paid		-	(1,429)
Interest element of finance lease payments paid		(7,627)	(14,854)
Tax paid		(125,760)	1,276
Net cash from operating activities		<u>222,765</u>	<u>505,142</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(10,000)	-
Purchase of tangible fixed assets		(42,015)	(304,542)
Sale of tangible fixed assets		155,001	-
Interest received		6,999	308
Net cash from investing activities		<u>109,985</u>	<u>(304,234)</u>
Cash flows from financing activities			
Capital repayments in year		(108,587)	(37,100)
Amount withdrawn by directors		(3,074)	(45,600)
Equity dividends paid		(180,000)	(270,000)
Net cash from financing activities		<u>(291,661)</u>	<u>(352,700)</u>
Increase/(decrease) in cash and cash equivalents		<u>41,089</u>	<u>(151,792)</u>
Cash and cash equivalents at beginning of year	2	1,370,457	1,522,249
Cash and cash equivalents at end of year	2	<u><u>1,411,546</u></u>	<u><u>1,370,457</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018 £	2017 £
(Loss)/profit before taxation	(2,327,880)	635,410
Depreciation charges	141,272	295,088
(Profit)/loss on disposal of fixed assets	(46,667)	218,853
Finance costs	7,627	16,283
Finance income	(6,999)	(308)
	<u>(2,232,647)</u>	<u>1,165,326</u>
Decrease/(increase) in stocks	2,379,609	(116,620)
Increase in trade and other debtors	(273,059)	(560,108)
Increase in trade and other creditors	482,249	31,551
	<u>356,152</u>	<u>520,149</u>
Cash generated from operations	<u>356,152</u>	<u>520,149</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th November 2018

	30.11.18 £	1.12.17 £
Cash and cash equivalents	<u>1,411,546</u>	<u>1,370,457</u>

Year ended 30th November 2017

	30.11.17 £	1.12.16 £
Cash and cash equivalents	1,370,457	1,588,184
Bank overdrafts	-	(65,935)
	<u>1,370,457</u>	<u>1,522,249</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

1. STATUTORY INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Addison Bridge Place, Kensington, London W14 8XP.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the company and all group undertakings. They are adjusted where appropriate, to conform to group accounting policies. As a consolidated profit and loss is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of four years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

3. ACCOUNTING POLICIES - continued**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvement to freehold property	- 2% on cost and in accordance with the property
Short leasehold property	- Over the period of the lease
Improvement to short leasehold property	- 2% p.a. on reducing balance and Over the period of the lease
Plant and machinery	- 15% p.a. on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% p.a. on reducing balance
Computer equipment	- 33.33% on reducing balance and 33.33% p.a. on reducing balance

Tangible assets are initially recorded at cost and subsequently stated at cost less accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of any asset as a result of the revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

A review for indications of fixed asset impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators of impairment exist. Where the carrying amount exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs. The cash generating unit is the smallest identifiable group of assets that includes the asset and generates cash flows that are largely independent of the cash flows from other assets or group of assets.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

3. ACCOUNTING POLICIES - continued**Financial instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, 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. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs

The group operates a defined contribution pension scheme for employees. The annual contributions payable are charged to the group profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

3. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange gains or losses are taken to the profit and loss account.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme for employees. The annual contributions payable are charged to the group profit and loss account.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the profit or loss account.

4. TURNOVER

The turnover and loss (2017 - profit) before taxation are attributable to the one principal activity of the group.

The whole of the turnover and profit before taxation is attributable to the two principal activities of the Group, the retail and wholesale of footwear. No geographical analysis of turnover has been shown, as in the opinion of the director, it would be seriously prejudicial to the interests of the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and Salaries	1,089,789	1,346,187
Social Security	113,519	148,318
Pension Costs	5,677	8,661
	<u>1,208,985</u>	<u>1,503,166</u>

The average number of employees for the period were as follows:

Office & administrative	11	12
Sales	19	23
	<u>30</u>	<u>35</u>

	2018	2017
	£	£
Directors' remuneration	<u>47,362</u>	<u>45,890</u>

6. OPERATING (LOSS)/PROFIT

	2018	2017
	£	£
Depreciation - owned assets	109,460	222,579
Auditors' remuneration	-	38,750
Patents and licenses amortisation	2,500	-
Profit on disposal of fixed assets	(46,667)	-
Accountancy (Non audit work)	49,222	16,176
Foreign exchange differences	41,340	(79,351)
	<u>47,362</u>	<u>45,890</u>
Directors' remuneration	<u>47,362</u>	<u>45,890</u>

7. DISCONTINUED OPERATION

The discontinued operation relates to the trading activities of The Boot Tree Limited a wholly owned subsidiary for the period 1st December 2017 to 25th September 2018, the company having gone into Creditors Voluntary Liquidation on 5th October 2018.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Interest on overdue tax	-	1,429
Finance lease interest	7,627	14,854
	<u>7,627</u>	<u>16,283</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

9. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2018 £	2017 £
Current tax:		
Adjustment for prior years	-	(118,063)
Foreign Tax	9,968	6,174
	<u>9,968</u>	<u>(111,889)</u>
Total current tax	9,968	(111,889)
Deferred tax	(31,846)	29,455
	<u>(31,846)</u>	<u>29,455</u>
Tax on (loss)/profit	<u>(21,878)</u>	<u>(82,434)</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
(Loss)/profit before tax	(2,327,880)	635,410
	<u>(2,327,880)</u>	<u>635,410</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 0% (2017 - 19.330%)	-	122,825
Effects of:		
Expenses not deductible for tax purposes	-	19
Depreciation in excess of capital allowances	-	28,341
Adjustments to tax charge in respect of previous periods	-	(118,063)
Finance lease depreciation -adjustment	-	(8,499)
Deferred tax	(31,846)	29,455
Foreign Tax	9,968	6,174
Relief on Depreciation of tangible asset (Website)	-	(10,394)
Bad debt provision	-	197,259
Unutilised Loss	-	(329,551)
	<u>(21,878)</u>	<u>(82,434)</u>
Total tax credit	<u>(21,878)</u>	<u>(82,434)</u>

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2018 £	2017 £
Interim	<u>180,000</u>	<u>270,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

12. INTANGIBLE FIXED ASSETS**Group**

	Patents and licences £
COST	
Additions	10,000
At 30th November 2018	<u>10,000</u>
AMORTISATION	
Amortisation for year	2,500
At 30th November 2018	<u>2,500</u>
NET BOOK VALUE	
At 30th November 2018	<u><u>7,500</u></u>

Company

	Patents and licences £
COST	
Additions	10,000
At 30th November 2018	<u>10,000</u>
AMORTISATION	
Amortisation for year	2,500
At 30th November 2018	<u>2,500</u>
NET BOOK VALUE	
At 30th November 2018	<u><u>7,500</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvement to freehold property £	Short leasehold property £	Improvement to short leasehold property £
COST				
At 1st December 2017	294,758	79,011	20,528	123,988
Disposals	-	-	(20,528)	(123,988)
At 30th November 2018	294,758	79,011	-	-
DEPRECIATION				
At 1st December 2017	106,790	7,870	8,356	50,149
Charge for year	5,896	1,580	-	-
Eliminated on disposal	-	-	(8,356)	(50,149)
At 30th November 2018	112,686	9,450	-	-
NET BOOK VALUE				
At 30th November 2018	182,072	69,561	-	-
At 30th November 2017	187,968	71,141	12,172	73,839

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st December 2017	175,767	515,244	5,665	1,271,233	2,486,194
Additions	3,719	28,195	-	10,101	42,015
Disposals	-	(63,255)	-	(1,508)	(209,279)
At 30th November 2018	179,486	480,184	5,665	1,279,826	2,318,930
DEPRECIATION					
At 1st December 2017	164,416	493,533	5,611	860,165	1,696,890
Charge for year	2,133	3,000	14	126,149	138,772
Eliminated on disposal	-	(42,440)	-	-	(100,945)
At 30th November 2018	166,549	454,093	5,625	986,314	1,734,717
NET BOOK VALUE					
At 30th November 2018	12,937	26,091	40	293,512	584,213
At 30th November 2017	11,351	21,711	54	411,068	789,304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

13. TANGIBLE FIXED ASSETS - continued**Group**

Fixed assets, included in the above, which are held under finance leases are as follows:

	Computer equipment £
COST	
At 1st December 2017 and 30th November 2018	197,861
DEPRECIATION	
At 1st December 2017	109,923
Charge for year	29,312
At 30th November 2018	139,235
NET BOOK VALUE	
At 30th November 2018	58,626
At 30th November 2017	87,938

Company

	Freehold property £	Improvement to freehold property £	Short leasehold property £	Improvement to short leasehold property £
COST				
At 1st December 2017	294,758	79,011	20,528	123,988
Disposals	-	-	(20,528)	(123,988)
At 30th November 2018	294,758	79,011	-	-
DEPRECIATION				
At 1st December 2017	106,790	7,870	8,356	50,149
Charge for year	5,896	1,580	-	-
Eliminated on disposal	-	-	(8,356)	(50,149)
At 30th November 2018	112,686	9,450	-	-
NET BOOK VALUE				
At 30th November 2018	182,072	69,561	-	-
At 30th November 2017	187,968	71,141	12,172	73,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

13. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st December 2017	55,060	5,665	936,187	1,515,197
Additions	20,000	-	3,212	23,212
Disposals	(55,060)	-	-	(199,576)
At 30th November 2018	20,000	5,665	939,399	1,338,833
DEPRECIATION				
At 1st December 2017	42,440	5,611	616,821	838,037
Charge for year	3,000	14	107,523	118,013
Eliminated on disposal	(42,440)	-	-	(100,945)
At 30th November 2018	3,000	5,625	724,344	855,105
NET BOOK VALUE				
At 30th November 2018	17,000	40	215,055	483,728
At 30th November 2017	12,620	54	319,366	677,160

There is a first mortgage dated 11 March 2005 over the Freehold Property.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Computer equipment £
COST	
At 1st December 2017 and 30th November 2018	197,861
DEPRECIATION	
At 1st December 2017	109,923
Charge for year	29,312
At 30th November 2018	139,235
NET BOOK VALUE	
At 30th November 2018	58,626
At 30th November 2017	87,938

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st December 2017	126,576
Disposals	(100)
	<u>126,476</u>
At 30th November 2018	<u>126,476</u>
NET BOOK VALUE	
At 30th November 2018	<u>126,476</u>
At 30th November 2017	<u>126,576</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

The Boot Tree Limited

Registered office: 46 Vivian Avenue, Hendon Central, London, NW4 3XP

Nature of business: Footwear retailers

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		-	(5,103,380)
Loss for the year		<u>(1,630,303)</u>	<u>(728,276)</u>

Please see Note 7 to the Financial Statements.

Central Trade Ltd Germany GmbH

Registered office: Hauptstrasse 83, 53619 Rheinbreitbach, Germany

Nature of business: Footwear retailers

	% holding	31.12.18 £	31.12.17 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		165,101	141,318
Profit for the year/period		<u>23,783</u>	<u>16,957</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

15. STOCKS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Finished goods	2,308,461	4,688,070	1,101,543	2,784,406

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	748,537	557,744	403,746	254,204
Amounts owed by group undertakings	-	-	687,915	828,877
Other Debtors	97,254	281,197	15,511	62,011
Tax	118,063	118,063	118,063	118,063
VAT	493,785	-	522,959	-
Prepayments and accrued income	48,599	276,175	34,393	39,510
	<u>1,506,238</u>	<u>1,233,179</u>	<u>1,782,587</u>	<u>1,302,665</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Finance leases (see note 19)	26,249	119,327	26,249	119,327
Trade creditors	1,421,101	1,040,704	622,456	523,521
Tax	9,703	125,496	-	119,475
Social security and other taxes	27,087	25,921	15,299	-
VAT	-	1,764	-	8,668
Other creditors	296,663	308,290	3,688	-
Directors' current accounts	4,151	7,225	4,151	4,965
Accruals and deferred income	221,125	107,048	51,569	150,630
	<u>2,006,079</u>	<u>1,735,775</u>	<u>723,412</u>	<u>926,586</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Finance leases (see note 19)	<u>-</u>	<u>15,509</u>	<u>-</u>	<u>15,509</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	26,249	119,327
Between one and five years	-	15,509
	<u>26,249</u>	<u>134,836</u>

Company

	Finance leases	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	26,249	119,327
Between one and five years	-	15,509
	<u>26,249</u>	<u>134,836</u>

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	-	233,400
	<u>-</u>	<u>233,400</u>

Company

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	-	90,400
	<u>-</u>	<u>90,400</u>

On the Liquidation of The Boot Tree Limited, the leases were disclaimed by the Liquidator, pursuant to S178 of the Insolvency Act 1986. No guarantee was given by the holding company to the Landlords.

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>50,600</u>	<u>82,446</u>	<u>50,600</u>	<u>82,446</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

20. PROVISIONS FOR LIABILITIES - continued**Group**

	Deferred tax £
Balance at 1st December 2017	82,446
Provided during year	(31,846)
	<u>50,600</u>
Balance at 30th November 2018	<u>50,600</u>

Company

	Deferred tax £
Balance at 1st December 2017	82,446
Unused amounts reversed during year	(31,846)
	<u>50,600</u>
Balance at 30th November 2018	<u>50,600</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
200	Ordinary	£1	<u>200</u>	<u>200</u>

22. RESERVES**Group**

	Retained earnings £
At 1st December 2017	6,247,081
Deficit for the year	(2,306,002)
Dividends	(180,000)
	<u>3,761,079</u>
At 30th November 2018	<u>3,761,079</u>

Company

	Retained earnings £
At 1st December 2017	4,757,593
Deficit for the year	(699,482)
Dividends	(180,000)
	<u>3,878,111</u>
At 30th November 2018	<u>3,878,111</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2018

23. **GUARANTEE AND INDEMNITIES**

The Group has given a guarantee dated 12 March 2014 in favour of HMRC amounting to £30,000.

The Group has also given negotiation facility of £100,000 in favour of foreign bills.

HSBC have a fixed and floating charge over some of the Group's assets. In addition, HSBC have a legal assignment of some of the Group's debts.