

Company Registration No. 09083275 (England and Wales)

UC CLOTHING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

PAGES FOR FILING WITH REGISTRAR

UC CLOTHING LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

UC CLOTHING LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		22,843		-
Tangible assets	4		97,963		73,077
Current assets					
Stocks		891,745		696,757	
Debtors	5	202,753		204,301	
Cash at bank and in hand		139,714		198,461	
		1,234,212		1,099,519	
Creditors: amounts falling due within one year	6	(1,123,006)		(635,506)	
Net current assets			111,206		464,013
Total assets less current liabilities			232,012		537,090
Provisions for liabilities			(12,747)		(11,426)
Net assets			219,265		525,664
Capital and reserves					
Called up share capital	7		20		20
Profit and loss reserves			219,245		525,644
Total equity			219,265		525,664

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

UC CLOTHING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2018

The financial statements were approved by the board of directors and authorised for issue on 14 February 2019 and are signed on its behalf by:

Mr A P Hayton
Director

Mr S J Kitchen
Director

Company Registration No. 09083275

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

UC Clothing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kendal House, Murley Moss Business Village, Oxenholme Road, Kendal, LA9 7RL.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

1.2 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company recognised revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that the future economic benefits will flow to the entity and (e) when specific criteria relating to each of the company's sales channels have been met, as described below:

(i) Sales of goods - retail and retail ecommerce

The company operates retail shops for the sale of men's clothing and related accessories. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Sales are made to retail customers with the right to return within 28 days, subject to certain conditions regarding the usage. Accumulated experience is used to estimate and provide for such returns at the time of sale.

The company sells goods via its website for delivery to the customer. Revenue is recognised when the risk and rewards of the inventory is passed to the customer. For deliveries to the customer this is the point of acceptance of the goods by the customer. Transactions are settled by credit or payment card.

Provision is made for credit notes based on the expected level of returns which is based on the historical experience of returns.

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Trademarks	10% straight line
------------	-------------------

1.5 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.

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:

Leasehold improvements	Term of the lease
Plant and machinery	20/33% straight line, 15% reducing balance
Computer software	10% straight line

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.

1.6 Impairment of fixed assets

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

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 Cash at bank and in hand

Cash at bank and in hand 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.

1.9 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.

1.10 Taxation

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

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.

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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 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.

1.12 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.

2 Employees

The company does not directly employ any staff. Appropriate recharges are made from a related party company to UC Clothing Limited.

3 Intangible fixed assets

	Goodwill £	Trademarks £	Total £
Cost			
At 1 July 2017	-	-	-
Additions	4,491	18,352	22,843
	<u>4,491</u>	<u>18,352</u>	<u>22,843</u>
At 30 June 2018	4,491	18,352	22,843
	<u>4,491</u>	<u>18,352</u>	<u>22,843</u>
Amortisation and impairment			
At 1 July 2017 and 30 June 2018	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 30 June 2018	4,491	18,352	22,843
	<u>4,491</u>	<u>18,352</u>	<u>22,843</u>
At 30 June 2017	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2017	11,755	73,170	84,925
Additions	16,573	27,058	43,631
Disposals	-	(1,446)	(1,446)
At 30 June 2018	28,328	98,782	127,110
Depreciation and impairment			
At 1 July 2017	686	11,162	11,848
Depreciation charged in the year	1,416	17,159	18,575
Eliminated in respect of disposals	-	(1,276)	(1,276)
At 30 June 2018	2,102	27,045	29,147
Carrying amount			
At 30 June 2018	26,226	71,737	97,963
At 30 June 2017	11,069	62,008	73,077

5 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	18,131	2,290
Corporation tax recoverable	60,513	-
Other debtors	48,255	139,593
Prepayments and accrued income	75,854	62,418
	202,753	204,301

6 Creditors: amounts falling due within one year (as restated)

	2018	2017
Notes	£	£
Bank loans and overdrafts	44,188	-
Trade creditors	898,441	448,816
Other taxation and social security	70,652	100,090
Other creditors	56,244	48,015
Accruals and deferred income	53,481	38,585
	1,123,006	635,506

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
20 Ordinary shares of £1 each	20	20
	<u>20</u>	<u>20</u>

8 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	149,966	96,250
Between two and five years	406,712	556,678
	<u>556,678</u>	<u>652,928</u>

9 Related party transactions

Transactions with related parties

Amounts owed by related parties

Other related parties	34,491
-----------------------	--------

Amounts owed in previous period

Entities with control, joint control or significant influence over the company	2,000
Other related parties	128,544

UC CLOTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

10 Prior period adjustment

Reconciliation of changes in equity

	Notes	1 July 2016 £	30 June 2017 £
Equity as previously reported		240,135	635,909
Adjustments to prior year			
Adjustment to closing stock balance		-	(137,289)
Adjustment to corporation tax		-	27,044
Equity as adjusted		<u>240,135</u>	<u>525,664</u>

Notes to reconciliation

Following the finalisation of the 2017 accounts the directors identified that the company was carrying several lines of stock which should have been written down to net realisable value, rather than being reflected at cost. The directors have restated the comparative years results by way of a prior year adjustment, reducing closing stock and increasing cost of sales by £137,289. In addition, an adjustment has been made to take account of the associated reduction in tax charge of £27,044.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.