

S. W. C. Stepney Workers Club Ltd

FINANCIAL STATEMENTS (UNAUDITED)

For the year ended

31-May-21



Company Registration No.

11122710

S. W. C. Stepney Workers Club Ltd

DIRECTORS AND OFFICERS

DIRECTORS

M S Verona	appointed 1 June 2020
D P Holton	
S M Bishop	appointed 1 June 2020

SECRETARY

D P Holton

COMPANY NUMBER

11122710

REGISTERED OFFICE

20 Hoxton Square
London
N1 6NT

S. W. C. Stepney Workers Club Ltd

DIRECTORS REPORT FOR THE YEAR ENDED 31 MAY 2021 (UNAUDITED)

The Directors present their report and consolidated financial statements for S. W. C. Stepney Workers Club Ltd for the year ended 31 May 2021.

PRINCIPAL ACTIVITIES

The principal activity of the company is the sale and distribution of footwear. The company designs, develops and imports footwear for the UK and worldwide market. The footwear is manufactured in Asia under the guidance of UK design staff and quality compliance staff based in the country of manufacture.

The company manages the importation of the footwear and maintains inventory at a third party warehouse in Essex which is close to the key importation port on the East Coast. The stock is used to support the company's customers who are primarily retail stores or e-commerce sites. Footwear is ordered by the company's retail customers and despatched overnight either to their individual warehouses or direct to their retail stores.

The worldwide footwear market continues to be highly competitive and the lockdowns imposed as a result of Covid-19 have impacted all retail businesses. The entity has continued to work with wholesale customers to ensure safe and efficient deliveries of stock as well as reviewing the ecommerce offering to fit market trends. Due to the nature of wholesale forward orders the company's wholesale business did not feel a significant immediate impact from Covid-19 but as the pandemic continued there was a dip in orders for our formal offering. More recently we have seen some growth in the formal order book and we are regularly communicating with retailers to ensure their requirements are met going forward. Covid also had an impact on the increased cost of freight and containers coming from Asia to the UK or Europe.

The UK Governments deal with Europe late in December 2020 gave the Company (and indeed the UK and Europe as a whole) little opportunity to plan properly for Brexit. In 2021 the Company has put processes in place to reduce the increased costs of Brexit for example warehousing is now in the Netherlands for European sales so that the Company does not have to pay duty to bring the goods into the UK and then duty on exports into Europe. The Company is also looking at other ways to make exports into Europe more cost efficient.

The company made a profit for the year ended 31 May 2021 its first year of trading.

On 1 June 2020 the intellectual property for Stepney Workers Club, one of the brands developed by Hudson Shoe Agencies Ltd. was purchased by S.W.C. Stepney Workers Club Ltd for £156,000. Hudson Shoe Agencies Ltd and S.W.C. Stepney Workers Club Ltd have the same shareholders. D Holton, S M Bishop and M S Verona are also directors of Hudson Shoe Agencies Ltd.

DIRECTORS

The following directors held office during the financial year:

M S Verona appointed 1 June 2020

D Holton

S M Bishop appointed 1 June 2020

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

SMALL COMPANIES EXEMPTION

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the Board



D Holton

Company Secretary

25 February 2022

S. W. C. Stepney Workers Club Ltd

INCOME STATEMENT (UNAUDITED)
For the year ended 31 May 2021

	Notes	2021 £	2020 £
TURNOVER		1,747,909	-
Cost of sales		(1,088,709)	-
GROSS PROFIT		<u>659,200</u>	<u>-</u>
Other operating expenses		(613,063)	-
OPERATING PROFIT		<u>46,137</u>	<u>-</u>
Interest receivable		-	-
Interest payable and other charges		-	-
Other income		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>46,137</u>	<u>-</u>
Taxation	2	(9,462)	-
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		<u>36,675</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME			
Exchange differences on retranslation of subsidiary undertakings		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>36,675</u></u>	<u><u>-</u></u>

The notes on pages 5 to 9 form part of the financial statements

STATEMENT OF FINANCIAL POSITION (UNAUDITED)
For the year ended 31 May 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	3	124,800	-
		<u>124,800</u>	<u>-</u>
CURRENT ASSETS			
Debtors	4	5,000	1
		<u>5,000</u>	<u>1</u>
CREDITORS			
Amounts falling due within one year	5	(88,125)	-
NET CURRENT ASSETS/(LIABILITIES)		<u>(83,125)</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,675</u>	<u>1</u>
NET LIABILITIES		<u>41,675</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	7	5,000	1
Profit and loss account	7	36,675	-
SHAREHOLDERS' FUNDS		<u>41,675</u>	<u>1</u>

For the financial year ended 31 May 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and 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.

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

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

The financial statements on pages 3 to 9 were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:



D Holton
Director

S.W.C. Stepney Workers Club Ltd

ACCOUNTING POLICIES

For the year ended 31 May 2021

COMPANY INFORMATION

S. W. C. Stepney Workers Club Limited ("the Company") is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is 20 Hoxton Square, London, N1 6NT.

BASIS OF ACCOUNTING

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"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. 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 presented in Sterling (£), which is the functional currency of the company.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers less discounts and rebates.

Revenue is recognised in the profit and loss account when significant risks and rewards of ownership are transferred to the customer, normally on shipment of goods.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives as follows:

S. W. C. Stepney Workers Club brand 20% straight line

DEFERRED TAXATION

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is provided on a non-discounted basis.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the contracted rate for formal exchange contracts. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the profit and loss account.

FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BASIC FINANCIAL ASSETS

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

ACCOUNTING POLICIES

For the year ended 31 May 2021

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BASIC FINANCIAL LIABILITIES

Basic financial liabilities, including trade and other payables and bank loans, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

EQUITY INSTRUMENTS

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

JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both the current and future periods.

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

- Provisions for bad and doubtful debt. Provisions against bad and doubtful debts are based on historical data and understanding of customers. These provisions are regularly reviewed to ensure they reflect management's latest assessments.
- Sales credit note provision. Provisions for future sales credit notes are based on historical return data and the sales in the period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2021

1 EMPLOYEES

	2021 No	2020 No
The average number of persons employed in the reporting period was:	<u>2</u>	<u>-</u>

2 TAXATION

	2021 £	2020 £
UK Corporation tax		
Current tax on profit of the period at 19% (2020: 19%)	9,462	-
Adjustments in respect of prior periods	-	-
Overseas tax charge	-	-
CURRENT TAX CHARGE	<u>9,462</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	-
Effect of decreased tax rate on opening balances	-	-
Deferred tax credit in period	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>9,462</u>	<u>-</u>

Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

Profit/Loss on ordinary activities before taxation	46,137	-
Standard rate tax on profit before tax of 19% (2020: 19%)	8,766	-
Less effects of:		
Fixed assets differences	-	-
Expenses not deductible for tax purposes	696	-
Other permanent differences	-	-
Remeasurement of deferred tax for changes in tax rate	-	-
Deferred tax not recognised	-	-
CURRENT TAX CHARGE	<u>9,462</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2021

3 INTANGIBLE FIXED ASSETS

	S.W. C. Brand £	Total £
Cost		
At 1 June 2020	-	-
Additions	156,000	156,000
At 31 May 2021	156,000	156,000
Amortisation		
At 1 June 2020	-	-
Charge for the year	31,200	31,200
At 31 May 2021	31,200	31,200
Net book value		
At 31 May 2021	124,800	124,800
At 31 May 2020	-	-

4 DEBTORS

	2021 £	2020 £
Trade debtors	-	-
Amounts due from Hudson Shoe Agencies Ltd	-	-
Called up share capital not paid	5,000	1
Other debtors	-	-
	5,000	1

5 CREDITORS: Amounts falling due within one year

	Company 2021 £	2020 £
Trade creditors	-	-
Corporation tax	9,462	-
Amounts owed to Hudson Shoe Agencies Ltd	78,663	-
Other taxation and social security	-	-
Other creditors	-	-
Shareholders loans	-	-
	88,125	-

6 DEFERRED TAX

		Total £
Deferred tax liability at 1 June 2020		-
Credited to the profit and loss account (see note 2)		-
Deferred tax liability at 31 May 2021		-
Provisions for deferred tax has been made as follows:		
	2021 £	2020 £
Fixed asset timing differences	-	-
Other short term timing differences	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2021

7 CALLED UP SHARE CAPITAL AND RESERVES

SHARE CAPITAL	2021	2020
	£	£
Allotted, called up and fully paid		
1 ordinary shares at £1 each	1	1
4999 ordinary shares allotted on 01/06/20	4,999	-
	<u>5,000</u>	<u>1</u>

RESERVES

Reserves of the group and company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

8 CONTROL

The ultimate controlling party is Mr M S Verona.