

**Financial Statements**  
**for the Year Ended 31 December 2020**  
**for**  
**Morale Home Furnishings UK Limited**

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for the Year Ended 31 December 2020**

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**Morale Home Furnishings UK Limited**

**Company Information**  
**for the Year Ended 31 December 2020**

**DIRECTORS:**

Mr K M Ali  
Mr O F Ali  
Mr B K Ali  
Mr L Ali  
Mr S T Ali  
Mr U Ali  
Mr T M Ali

**SECRETARY:**

Mr K M Ali

**REGISTERED OFFICE:**

24 Watt Road  
Hillington Industrial Estate  
Glasgow  
G52 4RY

**REGISTERED NUMBER:**

SC276175 (Scotland)

**ACCOUNTANTS:**

O'Haras Chartered Accountants  
Radleigh House  
1 Golf Road  
Clarkston  
Glasgow  
G76 7HU

**Statement of Financial Position**  
**31 December 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Property, plant and equipment	4		11,676		13,164
<b>CURRENT ASSETS</b>					
Inventories		864,000		864,000	
Debtors	5	396,482		374,032	
Cash at bank		<u>334,154</u>		<u>44,463</u>	
		1,594,636		1,282,495	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>903,258</u>		<u>569,581</u>	
<b>NET CURRENT ASSETS</b>			<u>691,378</u>		<u>712,914</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			703,054		726,078
<b>CREDITORS</b>					
Amounts falling due after more than one year	7		(511,890)		(511,890)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(1,751)</u>		<u>(1,751)</u>
<b>NET ASSETS</b>			<u>189,413</u>		<u>212,437</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			100		100
Retained earnings			<u>189,313</u>		<u>212,337</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>189,413</u>		<u>212,437</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company 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 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.

**Statement of Financial Position - continued**  
**31 December 2020**

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 4 November 2021 and were signed on its behalf by:

Mr K M Ali - Director

**Notes to the Financial Statements  
for the Year Ended 31 December 2020**

**1. STATUTORY INFORMATION**

Morale Home Furnishings UK Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The directors are satisfied that the Company will have access to sufficient funds to ensure that all liabilities will be met as they fall due over a period of at least 12 months from the approval date of these financial statements. Consequently, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Revenue**

Turnover represents the amounts received for the provision of home furnishings, excluding value added tax and trade discounts.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

**Inventories**

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 10 (2019 - 12 ) .

**4. PROPERTY, PLANT AND EQUIPMENT**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2020	13,423	45,492	51,713	110,628
Additions	-	-	1,431	1,431
At 31 December 2020	<u>13,423</u>	<u>45,492</u>	<u>53,144</u>	<u>112,059</u>
<b>DEPRECIATION</b>				
At 1 January 2020	11,370	41,733	44,361	97,464
Charge for year	410	752	1,757	2,919
At 31 December 2020	<u>11,780</u>	<u>42,485</u>	<u>46,118</u>	<u>100,383</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>1,643</u>	<u>3,007</u>	<u>7,026</u>	<u>11,676</u>
At 31 December 2019	<u>2,053</u>	<u>3,759</u>	<u>7,352</u>	<u>13,164</u>

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	3,518	4,552
Other debtors	<u>392,964</u>	<u>369,480</u>
	<u>396,482</u>	<u>374,032</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Bank loans and overdrafts	-	20,191
Trade creditors	240,603	231,267
Taxation and social security	76,163	52,534
Other creditors	586,492	265,589
	<u>903,258</u>	<u>569,581</u>

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Other creditors	<u>511,890</u>	<u>511,890</u>

**8. SECURED DEBTS**

The Royal Bank of Scotland PLC holds a floating charge over all the property or undertaking of the company. The Royal Bank of Scotland PLC also hold standard security over the properties at 20, 22 & 24 Watt Road, Hillington.

**9. POST BALANCE SHEET EVENTS**

We are closely monitoring the situation with regards to COVID-19. The situation is constantly changing but for now we are doing what we can to maintain a normal pattern of business and we are reducing costs to align with reduced income where possible.



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.