

Registered number
02731752

Fleetmill Limited

Report and Financial Statements

31 July 2019

Fleetmill Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2 - 3
Strategic report	4
Independent auditor's report	5 - 6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the accounts	11 - 17

The following pages do not form part of the statutory accounts

Detailed profit and loss account	18 - 20
----------------------------------	---------

Fleetmill Limited
Company Information

Directors

Mr Hossein Rezvani

Auditors

G C Forest & Co
190 Billet Road
London
E17 5DX

Bankers

HSBC
PO Box 1EZ
196 Oxford Street
London
W1D 1NT

Registered office

10 B Lyon way
Industrial Estate
Greenford
England
UB6 0BN

Registered number

02731752

Head office address

10 B Lyon way
Industrial Estate
Greenford
England
UB6 0BN

Fleetmill Limited**Registered number:**

02731752

Directors' Report

The directors present their report and financial statements for the year ended 31 July 2019.

Principal activities

The company's principal activity during the year continued to be that of wholesale and retail of footwear and leather goods.

Directors

The following persons served as directors during the year:

Mr Hossein Rezvani

Political donations

No donations were made for political purposes.

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The environment

The Company recognises that care and concern for the environment and the community is a fundamental part of the company's strategy. It is the company's intention to strive continuously to minimise any adverse environmental impact of business activities, to comply with all the relevant environmental legislation and to promote a caring attitude to the environment amongst its employees.

This report was approved by the board on 14 November 2019 and signed on its behalf.

Mr Hossien Rezvani
Director

Fleetmill Limited

Strategic Report

Review of the business

The Company was incorporated in 1992 to trade as a wholesaler and retailer of footwear. The business has grown steadily over the years into a profitable venture especially over the last three years. The main reason for this being that the company sells Quality goods and provide a Great Customer Service.

In the prior year's business review, the director of the company highlighted the fact of the company's positive performance, increasing momentum.

The director is pleased to report that Fleetmill Limited has maintained its profitability and its positive progression in the retail sector.

During the year, total gross profit improved to 38.6% from 38.4%, like to like sales remained positive.

Principal risks and uncertainties

The management and the nature of the business are subject to risks that are considered insignificant.

The director is of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible , processes are in place to monitor and mitigate such risks.

Competition

The market in which the business operates is highly competitive, however because of the purchasing power Fleetmill Limited increased their margins. The additional risk of being unable to meet customers expectations is being reduced by increasing the brand selection. Policies of constant price monitoring and ongoing market research are in place to mitigate any further risks, together with a continuing effort to differentiate the business's offer from that of its competitors.

Product obsolescence

In common with many other retailers, products are subject to seasonality and trends and as a result, obsolescence. The director is committed to the ongoing monitoring of these trends and are confident that the business is able to react effectively to developments within the market.

Liquidity risk

Fleetmill Limited seeks to manage financial risk to ensure sufficient liquidity is available to meet its needs for the foreseeable future.

Currency risk

The company is exposed to transaction foreign exchange risk. Such risk is assessed and managed by the company.

This report was approved by the board on 14 November 2019 and signed on its behalf.

Mr Hossien Rezvani

Director

Fleetmill Limited

Independent auditor's report to the members of Fleetmill Limited

Opinion

We have audited the financial statements of Fleetmill Limited for the year ended 31 July 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (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 auditor's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Mr George Christodoulou
(Senior Statutory Auditor)
for and on behalf of
G C Forest & Co
Accountants and Statutory Auditors
14 November 2019

190 Billet Road
London
E17 5DX

Fleetmill Limited
Income Statement
for the year ended 31 July 2019

	Notes	2019 £	2018 £
Turnover	2	21,131,120	19,372,308
Cost of sales		(12,978,948)	(11,928,854)
Gross profit		<u>8,152,172</u>	<u>7,443,454</u>
Administrative expenses		(5,907,127)	(5,878,959)
Other operating income		1,049,869	656,699
Operating profit	3	<u>3,294,914</u>	<u>2,221,194</u>
Loss on sale of fixed assets		-	(2,665)
Interest receivable		-	20
Profit on ordinary activities before taxation		<u>3,294,914</u>	<u>2,218,549</u>
Tax on profit on ordinary activities	6	(633,075)	(420,024)
Profit for the financial year		<u>2,661,839</u>	<u>1,798,525</u>

Fleetmill Limited
Statement of Financial Position
as at 31 July 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	7	120,508	144,010
Current assets			
Stocks	8	2,648,715	2,907,163
Debtors	9	2,030,535	1,979,362
Cash at bank and in hand		4,065,190	3,077,389
		<u>8,744,440</u>	<u>7,963,914</u>
Creditors: amounts falling due within one year	10	(1,826,824)	(1,126,946)
Net current assets		<u>6,917,616</u>	<u>6,836,968</u>
Total assets less current liabilities		<u>7,038,124</u>	<u>6,980,978</u>
Provisions for liabilities			
Deferred taxation	11	<u>(19,519)</u>	<u>(23,164)</u>
Net assets		<u>7,018,605</u>	<u>6,957,814</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	7,017,605	6,956,814
Total equity		<u>7,018,605</u>	<u>6,957,814</u>

Mr Hossein Rezvani

Director

Approved by the board on 14 November 2019

Fleetmill Limited**Statement of Changes in Equity
for the year ended 31 July 2019**

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 August 2017	1,000	-	-	5,238,289	5,239,289
Profit for the financial year				1,798,525	1,798,525
Dividends				(80,000)	(80,000)
At 31 July 2018	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>6,956,814</u>	<u>6,957,814</u>
At 1 August 2018	1,000	-	-	6,956,814	6,957,814
Profit for the financial year				2,661,839	2,661,839
Dividends				(2,601,048)	(2,601,048)
At 31 July 2019	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>7,017,605</u>	<u>7,018,605</u>

Fleetmill Limited
Statement of Cash Flows
for the year ended 31 July 2019

	Notes	2019 £	2018 £
Operating activities			
Profit for the financial year		2,661,839	1,798,525
Adjustments for:			
Loss on sale of fixed assets		-	2,665
Interest receivable		-	(20)
Tax on profit on ordinary activities		633,075	420,024
Depreciation		23,502	27,178
Decrease/(increase) in stocks		258,448	(592,809)
(Increase)/decrease in debtors		(51,173)	206,575
Increase/(decrease) in creditors		489,955	(66,037)
		<u>4,015,646</u>	<u>1,796,101</u>
Interest received		-	20
Corporation tax paid		(426,803)	(281,009)
Cash generated by operating activities		<u>3,588,843</u>	<u>1,515,112</u>
Investing activities			
Proceeds from sale of tangible fixed assets		-	2,500
Cash generated by investing activities		<u>-</u>	<u>2,500</u>
Financing activities			
Equity dividends paid		(2,601,048)	(80,000)
Cash used in financing activities		<u>(2,601,048)</u>	<u>(80,000)</u>
Net cash generated			
Cash generated by operating activities		3,588,843	1,515,112
Cash generated by investing activities		-	2,500
Cash used in financing activities		(2,601,048)	(80,000)
Net cash generated		<u>987,795</u>	<u>1,437,612</u>
Cash and cash equivalents at 1 August		<u>3,077,377</u>	<u>1,639,765</u>
Cash and cash equivalents at 31 July		<u>4,065,172</u>	<u>3,077,377</u>
Cash and cash equivalents comprise:			
Cash at bank		4,065,190	3,077,389
Bank overdrafts	10	(18)	(12)
		<u>4,065,172</u>	<u>3,077,377</u>

Fleetmill Limited
Notes to the Accounts
for the year ended 31 July 2019

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	15% on written down value
Motor Vehicles	25% on written down value

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Analysis of turnover	2019	2018
	£	£
Sale of goods	<u>21,131,120</u>	<u>19,372,308</u>
By geographical market:		
UK	6,337,733	5,707,801
Europe	5,469,502	5,907,217
Rest of world	<u>9,323,885</u>	<u>7,757,290</u>
	<u>21,131,120</u>	<u>19,372,308</u>
3 Operating profit	2019	2018
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	23,502	27,178
Auditors' remuneration for audit services	5,000	5,000
Auditors' remuneration for other services	6,287	4,657
Carrying amount of stock sold	<u>10,182,471</u>	<u>9,346,374</u>
4 Directors' emoluments	2019	2018
	£	£
Emoluments	<u>19,000</u>	<u>17,035</u>

5 Staff costs	2019	2018
	£	£
Wages and salaries	1,258,731	1,266,792
Social security costs	118,903	117,049
Other pension costs	13,809	10,414
	<u>1,391,443</u>	<u>1,394,255</u>

Average number of employees during the year	Number	Number
Administration	14	9
Development	-	7
Distribution	16	9
Marketing	-	2
Sales	5	25
	<u>35</u>	<u>52</u>

6 Taxation	2019	2018
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	<u>636,720</u>	<u>426,803</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(3,645)</u>	<u>(6,779)</u>
	<u>633,075</u>	<u>420,024</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2019	2018
	£	£
Profit on ordinary activities before tax	<u>3,294,914</u>	<u>2,218,549</u>
Standard rate of corporation tax in the UK	19%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	626,034	443,710
Effects of:		
Expenses not deductible for tax purposes	10,686	(16,907)

Current tax charge for period	636,720	426,803
-------------------------------	---------	---------

Factors that may affect future tax charges

7 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	£	£	£	£
Cost or valuation				
At 1 August 2018	148,347	47,418	414,317	610,082
At 31 July 2019	148,347	47,418	414,317	610,082
Depreciation				
At 1 August 2018	148,347	36,166	281,559	466,072
Charge for the year	-	2,813	20,689	23,502
At 31 July 2019	148,347	38,979	302,248	489,574
Carrying amount				
At 31 July 2019	-	8,439	112,069	120,508
At 31 July 2018	-	11,252	132,758	144,010

8 Stocks

	2019	2018
	£	£

Finished goods and goods for resale	2,648,715	2,907,163
-------------------------------------	-----------	-----------

9 Debtors

	2019	2018
	£	£

Trade debtors	449,086	412,552
Other debtors	1,242,129	1,251,419
Prepayments and accrued income	339,320	315,391
	2,030,535	1,979,362

10 Creditors: amounts falling due within one year

	2019	2018
	£	£

Bank overdrafts	18	12
-----------------	----	----

Trade creditors	921,084	651,959
Corporation tax	636,720	426,803
Other taxes and social security costs	208,051	17,368
Other creditors	52,001	21,637
Accruals and deferred income	8,950	9,167
	<u>1,826,824</u>	<u>1,126,946</u>

11 Deferred taxation

2019

2018

£

£

Accelerated capital allowances

19,519

23,164

2019

2018

£

£

At 1 August

23,164

29,943

Credited to the profit and loss account

(3,645)

(6,779)

At 31 July

19,519

23,164

12 Share capital

Nominal
value

2019
Number

2019
£

2018
£

Allotted, called up and fully paid:

Ordinary shares

£1 each

1,000

1,000

1,000

13 Profit and loss account

2019

2018

£

£

At 1 August

6,956,814

5,238,289

Profit for the financial year

2,661,839

1,798,525

Dividends

(2,601,048)

(80,000)

At 31 July

7,017,605

6,956,814

14 Dividends

2019

2018

£

£

Dividends on ordinary shares (note 13)

2,601,048

80,000

15 Related party transactions

2019

2018

Rachel Trading Company Ltd

Associate Company

Loan due from the related party	(14,673)	125,327
---------------------------------	----------	---------

New Control Ltd

Associate Company

Loan due from the related party	985,560	1,110,632
---------------------------------	---------	-----------

Fleetmill Properties Ltd

Associate Company

Loan due from the related party	256,880	-
---------------------------------	---------	---

16 Controlling party

The ultimate controlling party was Fleetmill Holdings Limited, 100% shareholder of the company.

17 Presentation currency

The financial statements are presented in Sterling.

18 Legal form of entity and country of incorporation

Fleetmill Limited is a private company limited by shares and incorporated in England.

19 Principal place of business

The address of the company's principal place of business and registered office is:

10 B Lyon way
Industrial Estate
Greenford
England
UB6 0BN

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.