

COMPANY REGISTRATION NUMBER: 02723329

COMPANIES HOUSE COPY

City Shoes (Wholesale) Limited
Financial Statements
29 September 2018



MURAS BAKER JONES LIMITED
Chartered accountant & statutory auditor
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

City Shoes (Wholesale) Limited

Financial Statements

Year ended 29 September 2018

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City Shoes (Wholesale) Limited

Officers and Professional Advisers

The board of directors

I S Johal
A S Johal
V P S Johal

Company secretary

Mrs R P K Johal

Registered office

Unit D, Forest Business Park
Walker Road
Bardon
Coalville
LE67 1TU

Auditor

Muras Baker Jones Limited
Chartered accountant & statutory auditor
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

Bankers

HSBC Bank plc
Penman Way
Grove Park
Enderby
Leicester
LE19 1SY

City Shoes (Wholesale) Limited

Strategic Report

Year ended 29 September 2018

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the wholesale of footwear.

REVIEW OF BUSINESS

The statement of income and retained earnings is set out on page 9.

The profit before tax in 2018 is £964 compared with a profit of £41,673 in 2017.

The statement of financial position at 29 September 2018 shows 'total assets less current liabilities' of £1,111,031 (2017 - £1,334,991) with shareholders funds at £1,111,031 compared to £1,116,053 at 30 September 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

As in any trading organisation, the director acknowledges that as well as rewards, there are risks and uncertainties which are constantly monitored. The company is dependent upon the supply of products from overseas and the demand of the UK market.

The director believes that the company has adequate financial resources and bank facilities in place to enable continued trading for the foreseeable future and all risks and uncertainties are reasonably covered.

DEVELOPMENT AND PERFORMANCE

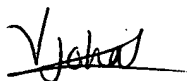
The director continues to be encouraged by the results and remains committed to the future success of the company. Based on an initial assessment for the coming year the company should experience similar results depending on its ability to maintain the current level of operations and continue to control expenses.

FINANCIAL KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being profit levels and profit margins.

The gross profit percentage has increased from 15.0% in the previous period to 19.3% this year. Operating profit has increased from £144,162 last period to a profit of £146,142 this year. Furthermore profit after tax has declined from a profit of £30,987 in the previous period to a loss of £5,022 this year.

This report was approved by the board of directors on 28 June 2019 and signed on behalf of the board by:



V P S Johal
Director

City Shoes (Wholesale) Limited

Directors' Report

Year ended 29 September 2018

The directors present their report and the financial statements of the company for the year ended 29 September 2018.

Principal activities

The principal activity of the company continued to be the wholesale of footwear.

Directors

The directors who served the company during the year were as follows:

I S Johal	
A S Johal	(Appointed 17 May 2018)
V P S Johal	(Appointed 17 May 2018)

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 the company has produced a Strategic Report which can be seen on pages 2 and 3 of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the 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 (United Kingdom Accounting Standards 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

City Shoes (Wholesale) Limited

Directors' Report *(continued)*

Year ended 29 September 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 28 June 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'V P S Johal', is written over a horizontal line.

V P S Johal
Director

City Shoes (Wholesale) Limited

Independent Auditor's Report to the Members of City Shoes (Wholesale) Limited

Year ended 29 September 2018

Opinion

We have audited the financial statements of City Shoes (Wholesale) Limited (the 'company') for the year ended 29 September 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 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 29 September 2018 and of its loss 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 for 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.

City Shoes (Wholesale) Limited

Independent Auditor's Report to the Members of City Shoes (Wholesale) Limited *(continued)*

Year ended 29 September 2018

Other information

The other information comprises the information included in the annual report, 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.

City Shoes (Wholesale) Limited

Independent Auditor's Report to the Members of City Shoes (Wholesale) Limited *(continued)*

Year ended 29 September 2018

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

City Shoes (Wholesale) Limited

Independent Auditor's Report to the Members of City Shoes (Wholesale) Limited *(continued)*

Year ended 29 September 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Oliver Ross BSc (Hons) FCA (Senior Statutory Auditor)

For and on behalf of
Muras Baker Jones Limited
Chartered accountant & statutory auditor
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

28 June 2019

City Shoes (Wholesale) Limited

Statement of Income and Retained Earnings

Year ended 29 September 2018

		Year to 29 Sep 18 £	Period from 1 Oct 16 to 29 Sep 17 £
Turnover	Note 4	9,683,738	11,442,848
Cost of sales		7,817,096	9,717,431
Gross profit		1,866,642	1,725,417
Administrative expenses		1,722,300	1,581,255
Other operating income	5	1,800	–
Operating profit	6	146,142	144,162
Interest payable and similar expenses	10	145,178	102,489
Profit before taxation		964	41,673
Tax on profit	11	5,986	10,686
(Loss)/profit for the financial year and total comprehensive income		<u>(5,022)</u>	<u>30,987</u>
Retained earnings at the start of the year		1,115,053	1,084,066
Retained earnings at the end of the year		<u>1,110,031</u>	<u>1,115,053</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

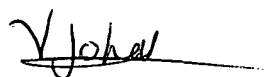
City Shoes (Wholesale) Limited

Statement of Financial Position

29 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	54,759	98,837
Current assets			
Stocks	13	2,712,065	2,049,350
Debtors	14	2,841,203	3,468,925
Cash at bank and in hand		<u>2,026,901</u>	<u>2,696,559</u>
		7,580,169	8,214,834
Creditors: amounts falling due within one year	16	<u>6,523,897</u>	<u>6,978,680</u>
Net current assets		1,056,272	1,236,154
Total assets less current liabilities		1,111,031	1,334,991
Creditors: amounts falling due after more than one year	17	<u>-</u>	<u>218,938</u>
Net assets		<u>1,111,031</u>	<u>1,116,053</u>
Capital and reserves			
Called up share capital	19	1,000	1,000
Profit and loss account	20	<u>1,110,031</u>	<u>1,115,053</u>
Shareholders funds		<u>1,111,031</u>	<u>1,116,053</u>

These financial statements were approved by the board of directors and authorised for issue on 28 June 2019, and are signed on behalf of the board by:



V P S Johal
Director

Company registration number: 02723329

The notes on pages 12 to 20 form part of these financial statements.

City Shoes (Wholesale) Limited

Statement of Cash Flows

Year ended 29 September 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(5,022)	30,987
<i>Adjustments for:</i>			
Depreciation of tangible assets		38,527	47,918
Interest payable and similar expenses		145,178	102,489
Loss/(gains) on disposal of tangible assets		2,543	(4,767)
Tax on profit		5,986	10,686
Accrued income		(14,979)	(78,455)
<i>Changes in:</i>			
Stocks		(662,715)	291,989
Trade and other debtors		627,722	860,020
Trade and other creditors		(173,214)	(2,094,669)
Cash generated from operations		(35,974)	(833,802)
Interest paid		(145,178)	(102,489)
Tax (paid)/received		(222,776)	4,876
Net cash used in operating activities		<u>(403,928)</u>	<u>(931,415)</u>
Cash flows from investing activities			
Purchase of tangible assets		(8,992)	(98,527)
Proceeds from sale of tangible assets		12,000	18,182
Net cash from/(used in) investing activities		<u>3,008</u>	<u>(80,345)</u>
Net decrease in cash and cash equivalents		(400,920)	(1,011,760)
Cash and cash equivalents at beginning of year		(835,835)	175,925
Cash and cash equivalents at end of year	15	<u>(1,236,755)</u>	<u>(835,835)</u>

The notes on pages 12 to 20 form part of these financial statements.

City Shoes (Wholesale) Limited

Notes to the Financial Statements

Year ended 29 September 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit D, Forest Business Park, Walker Road, Bardon, Coalville, LE67 1TU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on 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.

(b) Judgements and key sources of estimation uncertainty

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.

(c) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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 the 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.

(d) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2018

3. Accounting policies *(continued)*

(e) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of transactions. All differences are taken to the Profit and Loss account.

(f) Tangible assets

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

An increase in the carrying amount of an asset as a result of a 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 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.

(g) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	Straight line over the life of the lease
Plant & machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings & equipment	-	25% straight line

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value 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, when 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 inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2018

3. Accounting policies *(continued)*

(i) Stocks

Stock is valued at the lower of cost and net realisable value. Cost is based on the cost of purchases on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

(j) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	Year to 29 Sep 18	Period from 1 Oct 16 to 29 Sep 17
	£	£
Sale of goods	<u>9,683,738</u>	<u>11,442,848</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Year to 29 Sep 18	Period from 1 Oct 16 to 29 Sep 17
	£	£
United Kingdom	8,909,038	10,115,246
Europe	558,866	866,150
Rest of the World	<u>215,834</u>	<u>461,452</u>
	<u>9,683,738</u>	<u>11,442,848</u>

5. Other operating income

	Year to 29 Sep 18	Period from 1 Oct 16 to 29 Sep 17
	£	£
Other operating income	<u>1,800</u>	<u>-</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2018

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Year to 29 Sep 18	Period from 1 Oct 16 to 29 Sep 17
	£	£
Depreciation of tangible assets	38,527	47,918
Loss/(gains) on disposal of tangible assets	2,543	(4,767)
Impairment of trade debtors	138,830	70,363
Foreign exchange differences	<u>68,390</u>	<u>(33,961)</u>

7. Auditor's remuneration

	Year to 29 Sep 18	Period from 1 Oct 16 to 29 Sep 17
	£	£
Fees payable for the audit of the financial statements	<u>8,740</u>	<u>7,800</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 No.	2017 No.
Distribution staff	8	8
Administrative staff	10	10
Management staff	2	1
	<u>20</u>	<u>19</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	Year to 29 Sep 18	Period from 1 Oct 16 to 29 Sep 17
	£	£
Wages and salaries	758,000	779,223
Social security costs	74,994	76,848
Other pension costs	<u>5,601</u>	<u>53,038</u>
	<u>838,595</u>	<u>909,109</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements (continued)

Year ended 29 September 2018

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Year to 29 Sep 18 £	Period from 1 Oct 16 to 29 Sep 17 £
Remuneration	190,394	170,772
Company contributions to defined contribution pension plans	-	10,000
	<u>190,394</u>	<u>180,772</u>

10. Interest payable and similar expenses

	Year to 29 Sep 18 £	Period from 1 Oct 16 to 29 Sep 17 £
Interest on banks loans and overdrafts	31,302	28,113
Interest due to group undertakings	63	-
Interest on pension loan	8,944	11,925
Other interest payable and similar charges	104,869	62,451
	<u>145,178</u>	<u>102,489</u>

11. Tax on profit

Major components of tax expense

	Year to 29 Sep 18 £	Period from 1 Oct 16 to 29 Sep 17 £
Current tax:		
UK current tax expense	5,986	5,918
Adjustments in respect of prior periods	-	4,768
Total current tax	<u>5,986</u>	<u>10,686</u>
Tax on profit	<u>5,986</u>	<u>10,686</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements (continued)

Year ended 29 September 2018

11. Tax on profit (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	Year to 29 Sep 18 £	Period from 1 Oct 16 to 29 Sep 17 £
Profit on ordinary activities before taxation	964	41,673
Profit on ordinary activities by rate of tax	183	7,918
Adjustment to tax charge in respect of prior periods	–	4,768
Effect of expenses not deductible for tax purposes	117	488
Effect of capital allowances and depreciation	5,686	(2,640)
Change in tax rate	–	152
Tax on profit	5,986	10,686

12. Tangible assets

	Short Leasehold Property £	Plant and machinery £	Motor vehicles £	Fixtures, Fittings & Equipment £	Total £
Cost					
At 30 September 2017	154,315	25,850	111,567	213,196	504,928
Additions	–	–	8,992	–	8,992
Disposals	–	–	(50,191)	–	(50,191)
At 29 September 2018	154,315	25,850	70,368	213,196	463,729
Depreciation					
At 30 September 2017	154,315	22,351	57,177	172,248	406,091
Charge for the year	–	2,437	19,840	16,250	38,527
Disposals	–	–	(35,648)	–	(35,648)
At 29 September 2018	154,315	24,788	41,369	188,498	408,970
Carrying amount					
At 29 September 2018	–	1,062	28,999	24,698	54,759
At 29 September 2017	–	3,499	54,390	40,948	98,837

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2018

13. Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>2,712,065</u>	<u>2,049,350</u>

14. Debtors

	2018 £	2017 £
Trade debtors	2,328,497	3,016,232
Amounts owed by undertakings in which the company has a participating interest	–	162,475
Prepayments and accrued income	59,352	72,452
Directors loan account	6,500	–
Other debtors	<u>446,854</u>	<u>217,766</u>
	<u>2,841,203</u>	<u>3,468,925</u>

15. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2018 £	2017 £
Cash at bank and in hand	2,026,901	2,696,559
Bank overdrafts	<u>(3,263,656)</u>	<u>(3,532,394)</u>
	<u>(1,236,755)</u>	<u>(835,835)</u>

16. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	3,263,656	3,532,394
Trade creditors	2,963,108	2,052,825
Accruals and deferred income	46,535	61,514
Corporation tax	11,966	228,756
Social security and other taxes	46,098	22,754
Other creditors	<u>192,534</u>	<u>1,080,437</u>
	<u>6,523,897</u>	<u>6,978,680</u>

The company's bankers hold a debenture over the company's assets as security for the bank overdraft. The bank overdraft includes £2,223,634 (2017 - £2,193,324) secured on its book debts.

17. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>–</u>	<u>218,938</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2018

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,601 (2017: £53,038).

19. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

20. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	68,539	68,539
Later than 1 year and not later than 5 years	263,482	272,021
Later than 5 years	<u>195,000</u>	<u>255,000</u>
	<u>527,021</u>	<u>595,560</u>

22. Directors' advances, credits and guarantees

At 29 September 2018 £6,500 was owed to the company by I S Johal (2017 - £Nil).

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2018

23. Related party transactions

The company is controlled by Mr I S Johal, the company's director and sole shareholder.

During the period, sales amounting to £10,008 (2017 - £122,735) were made to the related undertaking, City Shoes Retail Limited, which has the same shareholder and director as the company. The balance due from City Shoes Retail Limited at the 29 September 2018 was £nil (2017 - £162,475). Debts owed by the company totalling £179,623 have been written off and are included in bad debts.

The company had operated from two premises owned by the City Shoes Pension Scheme. Rent paid on the first unit amounted to £20,000 in the year (2017 - £20,000). The lease on this unit was renewed in 2012/13 and runs until 2025. Rent paid on the second unit amounted to £nil (2017 - £15,761). The lease on the second unit was terminated during the prior year. City Shoes Pension Scheme is administered entirely for the benefit of Mr I S Johal, director and majority shareholder of the company.

The company also operates from premises owned by I S Johal. Rent paid during the period amounted to £40,000 (2017 - £40,000). The lease on this property was renewed in 2012/13 and runs until 2027.

The director has given personal guarantees of £1m to the company's bankers in support of the bank facility.