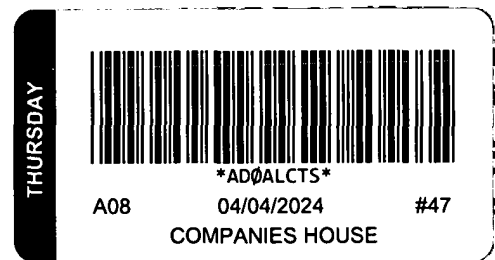


COMPANY REGISTRATION NUMBER: 02723329

COMPANIES HOUSE COPY

City Shoes (Wholesale) Limited
Financial Statements
31 March 2023



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

City Shoes (Wholesale) Limited

Financial Statements

Period from 30 September 2022 to 31 March 2023

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	5
Statement of income and retained earnings	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

City Shoes (Wholesale) Limited

Officers and Professional Advisers

The board of directors

A S Johal
V P S Johal

Registered office

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

Auditor

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

Bankers

National Westminster Bank Plc
1 Granby Street
Leicester
LE1 6EJ

City Shoes (Wholesale) Limited

Strategic Report

Period from 30 September 2022 to 31 March 2023

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 2023 is £527,604 compared with a profit of £374,218 in 2022.

The statement of financial position at 31 March 2023 shows 'total assets less current liabilities' of £2,068,343 (29 September 2022 - £1,637,581) with shareholders funds at £2,068,343 compared to £1,637,581 at 29 September 2022.

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

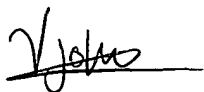
The director continues to be encouraged by the results and remains committed to the future success of the company. Based on an initial assessment for the coming year the company should experience similar results depending on its ability to maintain the current level of operations and continue to control 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 14.4% in the previous period to 16.0% this year. Operating profit has increased from £386,205 last period to £528,847 this year. Furthermore profit after tax has increased from £292,214 in the previous period to a profit of £430,762 this year.

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:



V P S Johal
Director

City Shoes (Wholesale) Limited

Directors' Report

Period from 30 September 2022 to 31 March 2023

The directors present their report and the financial statements of the company for the period ended 31 March 2023.

Principal activities

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

Directors

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

A S Johal
V P S Johal
I S Johal

(Resigned 31 December 2022)

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 period. 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)*

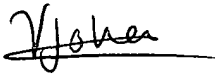
Period from 30 September 2022 to 31 March 2023

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 27 March 2024 and signed on behalf of the board by:



V P S Johal
Director

City Shoes (Wholesale) Limited

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

Period from 30 September 2022 to 31 March 2023

Opinion

We have audited the financial statements of City Shoes (Wholesale) Limited (the 'company') for the period ended 31 March 2023 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the period 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

City Shoes (Wholesale) Limited

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

Period from 30 September 2022 to 31 March 2023

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 period 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.

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.

City Shoes (Wholesale) Limited

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

Period from 30 September 2022 to 31 March 2023

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In planning and designing our audit tests we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management about their own identification and assessment of risks and irregularities. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK tax legislation and other laws and regulations identified as risk areas identified from our discussions with management.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

After consideration of the above risks we then carried out audit procedures including the following:

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of management meetings;
- reviewing correspondence with H M Revenue & Customs;
- enquiring of management and reviewing any correspondence with legal advisors concerning actual and potential litigation and claims;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in our audit procedures described above. The more removed that the laws and regulations are from financial transactions the less likely it is that we would be aware on non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to

City Shoes (Wholesale) Limited

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

Period from 30 September 2022 to 31 March 2023

fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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.

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

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

27 March 2024

City Shoes (Wholesale) Limited

Statement of Income and Retained Earnings

Period from 30 September 2022 to 31 March 2023

	Note	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Turnover	4	6,139,837	11,491,836
Cost of sales		5,155,323	9,837,626
Gross profit		984,514	1,654,210
Administrative expenses		588,711	1,573,085
Other operating income	5	133,044	305,080
Operating profit	6	528,847	386,205
Interest payable and similar expenses	10	1,243	11,987
Profit before taxation		527,604	374,218
Tax on profit	11	96,842	82,004
Profit for the financial period and total comprehensive income		430,762	292,214
Retained earnings at the start of the period		1,636,581	1,344,367
Retained earnings at the end of the period		2,067,343	1,636,581

All the activities of the company are from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

City Shoes (Wholesale) Limited

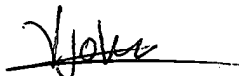
Statement of Financial Position

31 March 2023

	Note	31 Mar 23 £	£	29 Sep 22 £
Fixed assets				
Tangible assets	12		18,786	2,812
Current assets				
Stocks	13	1,670,879		2,687,862
Debtors	14	3,563,757		2,712,295
Cash at bank and in hand		599,423		308,133
		<u>5,834,059</u>		<u>5,708,290</u>
Creditors: amounts falling due within one year	16	<u>3,784,502</u>		<u>4,073,521</u>
Net current assets			<u>2,049,557</u>	<u>1,634,769</u>
Total assets less current liabilities			<u>2,068,343</u>	<u>1,637,581</u>
Net assets			<u>2,068,343</u>	<u>1,637,581</u>
Capital and reserves				
Called up share capital	18		1,000	1,000
Profit and loss account	19		<u>2,067,343</u>	<u>1,636,581</u>
Shareholders funds			<u>2,068,343</u>	<u>1,637,581</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of directors and authorised for issue on 27 March 2024, and are signed on behalf of the board by:



V P S Johal
Director

Company registration number: 02723329

The notes on pages 12 to 19 form part of these financial statements.

City Shoes (Wholesale) Limited

Statement of Cash Flows

Period from 30 September 2022 to 31 March 2023

	Note	31 Mar 23 £	29 Sep 22 £
Cash flows from operating activities			
Profit for the financial period		430,762	292,214
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,776	2,813
Interest payable and similar expenses		1,243	11,987
Gains on disposal of tangible assets		(1,000)	(15,444)
Tax on profit		96,842	82,004
Accrued (income)/expenses		(106,944)	26,097
<i>Changes in:</i>			
Stocks		1,016,983	170,729
Trade and other debtors		(851,462)	2,138,660
Trade and other creditors		(376,198)	(800,894)
Cash generated from operations		212,002	1,908,166
Interest paid		(1,243)	(11,987)
Tax received/(paid)		1	(112,589)
Net cash from operating activities		210,760	1,783,590
Cash flows from investing activities			
Purchase of tangible assets		(17,750)	–
Proceeds from sale of tangible assets		1,000	15,444
Net cash (used in)/from investing activities		(16,750)	15,444
Cash flows from financing activities			
Proceeds from borrowings		(2,132)	(1,046,480)
Net cash used in financing activities		(2,132)	(1,046,480)
Net increase in cash and cash equivalents		191,878	752,554
Cash and cash equivalents at beginning of period		308,133	(444,421)
Cash and cash equivalents at end of period	15	500,011	308,133

The notes on pages 12 to 19 form part of these financial statements.

City Shoes (Wholesale) Limited

Notes to the Financial Statements

Period from 30 September 2022 to 31 March 2023

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, Bardonia, 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)*

Period from 30 September 2022 to 31 March 2023

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:

Short 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.

(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.

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Period from 30 September 2022 to 31 March 2023

3. Accounting policies *(continued)*

(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:

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Sale of goods	<u>6,139,837</u>	<u>11,491,836</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:

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
United Kingdom	5,978,473	8,328,611
Europe	71,365	294,886
Rest of the World	<u>89,999</u>	<u>2,868,339</u>
	<u>6,139,837</u>	<u>11,491,836</u>

5. Other operating income

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Commission receivable	133,044	300,208
Other operating income	<u>-</u>	<u>4,872</u>
	<u>133,044</u>	<u>305,080</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements (continued)

Period from 30 September 2022 to 31 March 2023

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 30 Sep 22 to 31 Mar 23	Year to 29 Sep 22
	£	£
Depreciation of tangible assets	1,776	2,813
Gains on disposal of tangible assets	(1,000)	(15,444)
Impairment of trade debtors	(81)	89
Foreign exchange differences	<u>88,812</u>	<u>417,711</u>

7. Auditor's remuneration

	Period from 30 Sep 22 to 31 Mar 23	Year to 29 Sep 22
	£	£
Fees payable for the audit of the financial statements	<u>7,025</u>	<u>9,550</u>

8. Staff costs

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

	31 Mar 23 No.	29 Sep 22 No.
Distribution staff	5	5
Administrative staff	8	10
Management staff	2	2
	<u>15</u>	<u>17</u>

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

	Period from 30 Sep 22 to 31 Mar 23	Year to 29 Sep 22
	£	£
Wages and salaries	197,115	515,840
Social security costs	18,801	45,673
Other pension costs	3,628	9,487
	<u>219,544</u>	<u>571,000</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements (continued)

Period from 30 September 2022 to 31 March 2023

9. Directors' remuneration

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

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Remuneration	21,137	72,304
Company contributions to defined contribution pension plans	176	1,046
	<u>21,313</u>	<u>73,350</u>

10. Interest payable and similar expenses

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Interest on banks loans and overdrafts	<u>1,243</u>	<u>11,987</u>

11. Tax on profit

Major components of tax expense

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Current tax:		
UK current tax expense	<u>96,842</u>	<u>82,004</u>
Tax on profit	<u>96,842</u>	<u>82,004</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is lower than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	Period from 30 Sep 22 to 31 Mar 23 £	Year to 29 Sep 22 £
Profit on ordinary activities before taxation	<u>527,604</u>	<u>374,218</u>
Profit on ordinary activities by rate of tax	100,245	71,101
Effect of expenses not deductible for tax purposes	228	14,239
Effect of capital allowances and depreciation	<u>(3,631)</u>	<u>(3,336)</u>
Tax on profit	<u>96,842</u>	<u>82,004</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements (continued)

Period from 30 September 2022 to 31 March 2023

12. Tangible assets

	Short Leasehold Property £	Plant and machinery £	Fixtures, Fittings & Equipment £	Total £
Cost				
At 30 September 2022	154,315	8,500	224,446	387,261
Additions	–	17,750	–	17,750
Disposals	–	(8,500)	–	(8,500)
At 31 March 2023	<u>154,315</u>	<u>17,750</u>	<u>224,446</u>	<u>396,511</u>
Depreciation				
At 30 September 2022	154,315	8,500	221,634	384,449
Charge for the period	–	370	1,406	1,776
Disposals	–	(8,500)	–	(8,500)
At 31 March 2023	<u>154,315</u>	<u>370</u>	<u>223,040</u>	<u>377,725</u>
Carrying amount				
At 31 March 2023	<u>–</u>	<u>17,380</u>	<u>1,406</u>	<u>18,786</u>
At 29 September 2022	<u>–</u>	<u>–</u>	<u>2,812</u>	<u>2,812</u>

13. Stocks

	31 Mar 23 £	29 Sep 22 £
Finished goods and goods for resale	<u>1,670,879</u>	<u>2,687,862</u>

14. Debtors

	31 Mar 23 £	29 Sep 22 £
Trade debtors	3,288,238	2,548,984
Prepayments and accrued income	275,519	116,608
Other debtors	–	46,703
	<u>3,563,757</u>	<u>2,712,295</u>

15. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 Mar 23 £	29 Sep 22 £
Cash at bank and in hand	599,423	308,133
Bank overdrafts	(99,412)	–
	<u>500,011</u>	<u>308,133</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements (continued)

Period from 30 September 2022 to 31 March 2023

16. Creditors: amounts falling due within one year

	31 Mar 23	29 Sep 22
	£	£
Bank loans and overdrafts	99,412	–
Trade creditors	2,982,604	3,290,389
Accruals and deferred income	39,639	146,583
Corporation tax	178,847	82,004
Social security and other taxes	126,795	194,683
Director loan accounts	350,435	352,567
Other creditors	6,770	7,295
	<u>3,784,502</u>	<u>4,073,521</u>

The company's bankers hold a debenture over the company's assets as security for the bank overdraft. The bank overdraft includes £99,412 (2022 - £nil) secured on its book debts.

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £3,628 (2022: £9,487).

18. Called up share capital

Issued, called up and fully paid

	31 Mar 23		29 Sep 22	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19. Reserves

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

20. Analysis of changes in net debt

	At 30 Sep 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	308,133	291,290	599,423
Bank overdrafts	–	(99,412)	(99,412)
Debt due within one year	(352,567)	2,132	(350,435)
	<u>(44,434)</u>	<u>194,010</u>	<u>149,576</u>

City Shoes (Wholesale) Limited

Notes to the Financial Statements *(continued)*

Period from 30 September 2022 to 31 March 2023

21. Operating leases

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

	31 Mar 23	29 Sep 22
	£	£
Not later than 1 year	105,085	105,085
Later than 1 year and not later than 5 years	238,782	291,324
	<u>343,867</u>	<u>396,409</u>

22. Directors' advances, credits and guarantees

At 31 March 2023 £155,850 was owed to A S Johal (29 September 2022 - £156,584) and £194,585 was owed to V P S Johal (29 September 2022 - £192,983).

23. Related party transactions

The company is controlled by A Johal and V Johal.

The company had operated from premises owned by the City Shoes Pension Scheme. Rent paid on the unit amounted to £11,250 in the period (2022 - £22,550). The lease on this unit was renewed in 2012/13 and runs until 2025. City Shoes Pension Scheme is administered entirely for the benefit of Mr I S Johal, a previous director of the company.

The company also operates from premises owned by I S Johal, a previous director of the company. Rent paid during the period amounted to £20,000 (2022 - £40,000). The lease on this property was renewed in 2012/13 and runs until 2027.

During the six month period, purchases of £(138,169) (2022 - £6,457,589) were made from a related company, Grand View Asia, which I S Johal is a previous director of. The balance due to Grand View Asia at 31 March 2023 was £2,086,417 (2022 - £3,289,125). A commission charge of £133,043 (2022 - £300,208) has also been made to Grand View Asia, this remains outstanding from Grand View Asia at the year end (2022 - £300,208).