

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 March 2021  
for  
Uneek Clothing Company Limited**

**Contents of the Financial Statements  
for the Year Ended 31 March 2021**

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**Uneek Clothing Company Limited**

**Company Information  
for the Year Ended 31 March 2021**

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**DIRECTORS:** Nasser Ali Khan  
Raza Ali Khan

**SECRETARY:** Nasser Ali Khan

**REGISTERED OFFICE:** 5 North End Road  
London  
NW11 7RJ

**REGISTERED NUMBER:** 03172736 (England and Wales)

**SENIOR STATUTORY AUDITOR:** A Heller FCA

**AUDITORS:** Martin+Heller  
Statutory Auditor  
5 North End Road  
London  
NW11 7RJ

**Strategic Report  
for the Year Ended 31 March 2021**

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The directors present their strategic report for the year ended 31 March 2021.

Uneek is a family owned and controlled business. The company is well established importer of clothing apparel and related products. It has been trading successfully from 25 years with B2B model.

The company sells its products to wholesale, retail and online customers. The company's customer base is extremely diverse and includes sports & leisure, work & safety wear, PPE, education, health & beauty etc.

During the year the turnover decreased by £0.68m and the gross profit decreased by £1.59m.

The reduction in turnover and profit were predominantly driven by the coronavirus pandemic which led to reduced operations for first few months of the year and continued uncertainty over Brexit which delayed few decisions.

The company was able to increase its sales and expands its operation from second quarter of the year. The nominal increase in price of the goods also helped in achieving the required turnover and profitability.

**REVIEW OF BUSINESS**

The performance of the company during 2021 has produced encouraging results.

The company has made significant progress throughout the year in relation to key elements of its strategy. The Board monitors the progress of the company by reference to the followings:

	2021 £	2020 £
Turnover	37,358,309	38,034,227
Profit after tax	2,931,776	4,124,395
Shareholders funds	36,487,782	34,084,506

The company will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments.

**BREXIT**

The company despite the enormity of the challenges posed by chaotic Brexit process and trade negotiations was Brexit ready. From January 2021 the company was able to satisfactorily supply goods to its EU customers by setting up a logistics operation company in Germany.

**CORONAVIRUS (COVID-19)**

From the start of financial year COVID-19 pandemic created significant challenges for the company and its various stakeholders. The activities and operations of the company was affected during the first quarter of the financial year. In spite of the daily challenges faced, the company was able to strive forward from the second quarter. The company being mindful of the situation considered coronavirus will be significant for a foreseeable future.

In order to mitigate risks posed to its employees, suppliers and customers the company has taken health & safety and various other measures at various points of operation. It continues to follow the government guidelines and has a considerable number of employees still working from home.

During 2020 the company had availed the government's Job Retention Scheme to support its employees who were furloughed. The significant assistance helped the company to restore its operations capability whilst protecting its employees.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Strategic Report  
for the Year Ended 31 March 2021**

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The company possesses the required management expertise to monitor and manage risk. The principal risks and uncertainties facing the company are as follows:

**Economic Risks**

Any economic downturn is likely to lead to a reduction in the overall demand of the goods in the market.

**Price Risks**

Price risks arise on the company's product range due to changes in product prices. There is a management team dedicated to monitoring product prices to ensure exposure is limited.

**Financial Risks**

The company reduces its exposure to variability of foreign exchange rates by mostly buying and selling its product in the same currency. This limits the risk to any surplus which collects in foreign currency accounts.

**Credit risk**

A risk that one party will cause financial loss to another party by failing to discharge an obligation. It is the company's policy to minimise such losses by ensuring deferred terms are only granted to those customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. At the balance sheet date most of the total trade debtors were within assigned terms.

**Liquidity risk**

The risk that the company may encounter difficulty in meeting its obligations associated with financial liabilities.

**Operational Risks**

The emerging risk & uncertainty arising from COVID-19 pandemic has severely affected the economic conditions globally. The spread of COVID-19 is impacting all areas of business from supply chain to revenue.

**SECTION 172(1) STATEMENT**

The directors have always paid due regard to the effect of their actions on various stakeholders who have an interest in the business. Section 172 of the Companies Act requires us to report each year on the steps taken to fulfil these obligations towards our stakeholders. There are various parties who may be affected by the decisions made by the Board of Directors in the day to day running of the business and as such can be considered stakeholders. It is the responsibility of the board of directors to consider these interests in order to deliver the best possible outcome.

**Employees & Suppliers**

We actively engage with our suppliers and the employees who form an integral part of our operation and are considered key strategic partners.

The company has a loyal team of employees, most of whom have been employed with us for many years. Their efforts are highly valued and the company seeks to offer an environment in which the employees can thrive. Training, pension and other benefits are offered. Health and safety and employee welfare are the key areas which management insist upon.

**Customers**

We focus on providing best experience to our customers and are always seeking ways to add value by investing in the future. We value the strategic relationships we have with our key customers who have been with us from a long period of time based on reliability and trust.

**Strategic Report  
for the Year Ended 31 March 2021**

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**GOING CONCERN**

The industry has been affected by the consequences of COVID-19. During the period from end of March 2020 to mid May 2020 operations were reduced. However the operations gained momentum from the end of June 2020 with the gradual easing of COVID-19 lockdown and with additional health and safety procedures and social distancing measures.

Despite the challenging economic environment , the company has remained profitable and traded profitably through the period. the most recent management accounts to December 2021 is in line with previous year and we believe that this will further increase through the end of the year.

**FUTURE DEVELOPMENTS**

Despite the continuous uncertainty regarding COVID-19 ,and its prolonged impact, the directors are satisfied with the orders and demand and are of the opinion that with the company's broad client base, it will continue to develop and progress.

**ON BEHALF OF THE BOARD:**

Nasser Ali Khan - Director

22 March 2022

**Report of the Directors  
for the Year Ended 31 March 2021**

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The directors present their report with the financial statements of the company for the year ended 31 March 2021.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 March 2021 will be £528,500

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Nasser Ali Khan  
Raza Ali Khan

**POLITICAL DONATIONS AND EXPENDITURE**

Charitable donations made during the year as follows:

31.3.21	31.3.20
£	£

Donations to UK charities	239,462	712,062
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

**Report of the Directors  
for the Year Ended 31 March 2021**

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**AUDITORS**

The auditors, Martin+Heller, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Nasser Ali Khan - Director

22 March 2022



### **Opinion**

We have audited the financial statements of Uneek Clothing Company Limited (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page five, 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 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.

**Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. We discussed with management the extent of compliance with those laws and regulations as part of our audit procedures.
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by 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.
- Our audit procedures were designed to identify and assess risks of material misstatement in the financial statements, whether due to fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or management override of controls.
- There are inherent limitations in the audit procedures performed. Our responsibility is to conclude whether the financial statements represent the underlying financial position and activities of the company and to ensure that the overall content and presentation of the financial statements gives a fair view.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Uneek Clothing Company Limited**

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**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 a Report of the Auditors 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.

A Heller FCA (Senior Statutory Auditor)  
for and on behalf of Martin+Heller  
Statutory Auditor  
5 North End Road  
London  
NW11 7RJ

22 March 2022

**Income Statement  
for the Year Ended 31 March 2021**

		31.3.21 £	31.3.20 £
	Notes		
<b>TURNOVER</b>	3	37,358,309	38,034,227
Cost of sales		<u>28,940,499</u>	<u>27,986,588</u>
<b>GROSS PROFIT</b>		8,417,810	10,047,639
Administrative expenses		<u>4,671,253</u>	<u>5,203,239</u>
		3,746,557	4,844,400
Other operating income		<u>12,000</u>	<u>12,000</u>
<b>OPERATING PROFIT</b>	6	3,758,557	4,856,400
Interest receivable and similar income		<u>-</u>	<u>2,332</u>
		3,758,557	4,858,732
Interest payable and similar expenses	8	<u>125,682</u>	<u>167,617</u>
<b>PROFIT BEFORE TAXATION</b>		3,632,875	4,691,115
Tax on profit	9	<u>701,099</u>	<u>566,720</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>2,931,776</u>	<u>4,124,395</u>

The notes form part of these financial statements

**Other Comprehensive Income  
for the Year Ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
<b>PROFIT FOR THE YEAR</b>		2,931,776	4,124,395
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-
<b>FOR THE YEAR</b>		<u>2,931,776</u>	<u>4,124,395</u>

**Uneek Clothing Company Limited (Registered number: 03172736)**

**Balance Sheet**  
**31 March 2021**

	Notes	31.3.21 £	£	31.3.20 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		6,709,011		6,780,141
Investments	12		1,585,627		1,585,627
Investment property	13		495,000		495,000
			<u>8,789,638</u>		<u>8,860,768</u>
<b>CURRENT ASSETS</b>					
Stocks	14	10,969,454		12,406,446	
Debtors	15	13,924,061		11,811,944	
Cash at bank		<u>5,648,965</u>		<u>4,067,323</u>	
		30,542,480		28,285,713	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>2,844,336</u>		<u>3,061,975</u>	
<b>NET CURRENT ASSETS</b>			<u>27,698,144</u>		<u>25,223,738</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>36,487,782</u>		<u>34,084,506</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Retained earnings	19		<u>36,487,682</u>		<u>34,084,406</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>36,487,782</u>		<u>34,084,506</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 March 2022 and were signed on its behalf by:

Nasser Ali Khan - Director

The notes form part of these financial statements

**Statement of Changes in Equity  
for the Year Ended 31 March 2021**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2019</b>	100	30,641,011	30,641,111
<b>Changes in equity</b>			
Dividends	-	(681,000)	(681,000)
Total comprehensive income	-	4,124,395	4,124,395
<b>Balance at 31 March 2020</b>	100	34,084,406	34,084,506
<b>Changes in equity</b>			
Dividends	-	(528,500)	(528,500)
Total comprehensive income	-	2,931,776	2,931,776
<b>Balance at 31 March 2021</b>	100	36,487,682	36,487,782

**Cash Flow Statement  
for the Year Ended 31 March 2021**

		31.3.21 £	31.3.20 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,550,108	8,253,398
Interest paid		(125,682)	(167,617)
Tax paid		(312,170)	(1,002,331)
Net cash from operating activities		<u>2,112,256</u>	<u>7,083,450</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(4,460)	(3,980)
Interest received		-	2,332
Net cash from investing activities		<u>(4,460)</u>	<u>(1,648)</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		528,500	-
Amount withdrawn by directors		(526,154)	(461)
Equity dividends paid		(528,500)	(681,000)
Net cash from financing activities		<u>(526,154)</u>	<u>(681,461)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,581,642</u>	<u>6,400,341</u>
<b>Cash and cash equivalents at beginning of year</b>	2	4,067,323	(2,333,018)
<b>Cash and cash equivalents at end of year</b>	2	<u>5,648,965</u>	<u>4,067,323</u>

The notes form part of these financial statements



**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2021**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.21 £	31.3.20 £
Profit before taxation	3,632,875	4,691,115
Depreciation charges	75,589	106,074
Finance costs	125,682	167,617
Finance income	-	(2,332)
	<u>3,834,146</u>	<u>4,962,474</u>
Decrease in stocks	1,436,992	2,288,812
(Increase)/decrease in trade and other debtors	(2,112,117)	356,563
(Decrease)/increase in trade and other creditors	<u>(608,913)</u>	<u>645,549</u>
<b>Cash generated from operations</b>	<u><u>2,550,108</u></u>	<u><u>8,253,398</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2021**

	31/3/21 £	1/4/20 £
Cash and cash equivalents	<u>5,648,965</u>	<u>4,067,323</u>

**Year ended 31 March 2020**

	31/3/20 £	1/4/19 £
Cash and cash equivalents	4,067,323	1,418,314
Bank overdrafts	-	(3,751,332)
	<u><u>4,067,323</u></u>	<u><u>(2,333,018)</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/20 £	Cash flow £	At 31/3/21 £
<b>Net cash</b>			
Cash at bank	<u>4,067,323</u>	<u>1,581,642</u>	<u>5,648,965</u>
	<u>4,067,323</u>	<u>1,581,642</u>	<u>5,648,965</u>
<b>Total</b>	<u><u>4,067,323</u></u>	<u><u>1,581,642</u></u>	<u><u>5,648,965</u></u>

**Notes to the Financial Statements  
for the Year Ended 31 March 2021**

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**1. STATUTORY INFORMATION**

Uneek Clothing Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling (£) and figures rounded to nearest £1.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The items in the financial statements where these judgments and estimates have been made include:

**Trade debtors**

The majority of trade debtors are paid within the agreed conditions. Management makes judgements regarding recoverability of aged debtors using external evidence of the credit status of the counterparty and where necessary will impair the carrying values.

**Stock**

An impairment loss is recognised where the selling price (less cost to sell) is less than the cost. In arriving at this impairment loss, judgements and estimates have been used to assess the anticipated future selling prices of stocks held at year end, particularly for slow moving and discontinued stock items.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales taxes or duty. Carriage charge made to customers are included in revenue.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on despatch of goods.

**Tangible fixed assets**

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

Short leasehold	- Over the term of the lease-10 years
Plant and machinery	- 30% on reducing balance
Fixtures and fittings	- 30% on reducing balance
Computer equipment	- 30% on reducing balance

Tangible Fixed Assets are stated at historical cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditure directly attributable to making the asset capable of operating as intended.

**Government grants**

Government grants are recognised on an accrual basis.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

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**2. ACCOUNTING POLICIES - continued**

**Investment property**

Investment property is stated at director's estimate of market value at the balance sheet date. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Although the director is familiar with the value of the property in the area, the valuations are subject to a degree of uncertainty, in particular, during times of difficult economic conditions.

**Stocks**

Cost includes all cost of purchase and any other costs incurred in bringing stock to its present position and condition.

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its Financial Instruments.

Financial Instruments are recognised in the company's balance sheet when the company become party to the contractual provisions of the instrument.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

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

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.3.21 £	31.3.20 £
United Kingdom	34,837,944	34,785,887
Europe	2,520,365	3,248,340
	<u>37,358,309</u>	<u>38,034,227</u>

**4. EMPLOYEES AND DIRECTORS**

	31.3.21 £	31.3.20 £
Wages and salaries	2,101,563	2,227,688
Social security costs	168,414	156,324
Other pension costs	20,090	28,354
	<u>2,290,067</u>	<u>2,412,366</u>

The average number of employees during the year was as follows:

	31.3.21	31.3.20
Administration	29	30
Distribution	42	53
	<u>71</u>	<u>83</u>

**5. DIRECTORS' EMOLUMENTS**

	31.3.21 £	31.3.20 £
Directors' remuneration	<u>205,881</u>	<u>207,006</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>-</u>

Information regarding the highest paid director is as follows:

	31.3.21 £	31.3.20 £
Emoluments etc	<u>103,351</u>	<u>104,296</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.21 £	31.3.20 £
Depreciation - owned assets	<u>75,590</u>	<u>106,074</u>

**7. AUDITORS' REMUNERATION**

	31.3.21 £	31.3.20 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>14,000</u>	<u>14,000</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.3.21 £	31.3.20 £
Factoring charges	<u>125,682</u>	<u>167,617</u>

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.21 £	31.3.20 £
Current tax:		
UK corporation tax	701,099	908,549
Prior year tax adjustment	<u>-</u>	<u>(341,829)</u>
Tax on profit	<u>701,099</u>	<u>566,720</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21 £	31.3.20 £
Profit before tax	<u>3,632,875</u>	<u>4,691,115</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	690,246	891,312
Effects of:		
Expenses not deductible for tax purposes	-	1,085
Depreciation in excess of capital allowances	10,853	16,152
Adjustments to tax charge in respect of previous periods	-	(341,829)
Total tax charge	<u>701,099</u>	<u>566,720</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

10. **DIVIDENDS**

	31.3.21 £	31.3.20 £
Ordinary shares of £1 each		
Final	<u>528,500</u>	<u>681,000</u>

11. **TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold £	Plant and machinery £
<b>COST</b>			
At 1 April 2020	6,532,641	53,570	49,373
Additions	-	-	-
At 31 March 2021	<u>6,532,641</u>	<u>53,570</u>	<u>49,373</u>
<b>DEPRECIATION</b>			
At 1 April 2020	-	53,570	49,021
Charge for year	-	-	106
At 31 March 2021	-	<u>53,570</u>	<u>49,127</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>6,532,641</u>	-	246
At 31 March 2020	<u>6,532,641</u>	-	<u>352</u>
	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2020	582,845	155,674	7,374,103
Additions	-	4,460	4,460
At 31 March 2021	<u>582,845</u>	<u>160,134</u>	<u>7,378,563</u>
<b>DEPRECIATION</b>			
At 1 April 2020	369,701	121,670	593,962
Charge for year	63,943	11,541	75,590
At 31 March 2021	<u>433,644</u>	<u>133,211</u>	<u>669,552</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>149,201</u>	<u>26,923</u>	<u>6,709,011</u>
At 31 March 2020	<u>213,144</u>	<u>34,004</u>	<u>6,780,141</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

12. **FIXED ASSET INVESTMENTS**

	Interest in other participating interests £
<b>COST</b>	
At 1 April 2020 and 31 March 2021	<u>1,585,627</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>1,585,627</u>
At 31 March 2020	<u>1,585,627</u>

13. **INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 April 2020 and 31 March 2021	<u>495,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>495,000</u>
At 31 March 2020	<u>495,000</u>

14. **STOCKS**

	31.3.21 £	31.3.20 £
Stocks of Finished Goods	<u>10,969,454</u>	<u>12,406,446</u>

15. **DEBTORS**

	31.3.21 £	31.3.20 £
Amounts falling due within one year:		
Trade debtors	9,645,969	7,644,796
Other debtors	<u>3,716,538</u>	<u>4,167,148</u>
	<u>13,362,507</u>	<u>11,811,944</u>
Amounts falling due after more than one year:		
Uneek Clothing GmbH	<u>561,554</u>	<u>-</u>
Aggregate amounts	<u>13,924,061</u>	<u>11,811,944</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	1,771,754	2,322,545
Tax	445,973	57,044
Social security and other taxes	41,399	34,908
NEST payments due	3,774	3,569
VAT	322,215	515,266
Credit card	3,740	3,035
Net wages control	117,618	110,921
Directors' current accounts	3,033	687
Accruals	134,830	14,000
	<u>2,844,336</u>	<u>3,061,975</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.21	31.3.20
	£	£
Within one year	4,200	4,200
Between one and five years	3,150	7,349
	<u>7,350</u>	<u>11,549</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.21	31.3.20
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

19. RESERVES

	Retained earnings £
At 1 April 2020	34,084,406
Profit for the year	2,931,776
Dividends	(528,500)
At 31 March 2021	<u>36,487,682</u>

20. RELATED PARTY DISCLOSURES

During the year, total dividends of £528,500 (2020 - £681,000) were paid to the directors .



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

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20. **RELATED PARTY DISCLOSURES - continued**

The directors and the shareholders of the company has common interest in the following companies:-

AA & AK Investment Ltd - As at the balance sheet date, the balance owed was £14,002 (2020: £103,550). The amount is interest free and repayable on demand.

Loadx Ltd - As at the balance sheet date, the balance owed from Loadx Ltd was £224,722 (2020: £215,677). The amount is interest free and repayable on demand.

The company had also availed services worth £42,000 from Loadx Ltd regarding freight & transport .

Q K Enterprises Ltd- As at the balance sheet date, the balance owed was £459,000 (2020: £459,000). The amount is interest free and repayable on demand.

Soft (Pvt) Ltd- During the year, the company had availed services worth of £45,825 regarding IT & website services.

**Entities over which the entity has control, joint control or significant influence**

	31.3.21 £	31.3.20 £
Sales	<u>393,970</u>	<u>-</u>

21. **POST BALANCE SHEET EVENTS**

The United Kingdom withdrew from European Union on 31st December 2020 and new trading arrangements have been in place from 1st January 2021.

The company was prepared for Brexit in advance and was able to operate and supply goods to its EU customers. The operation of delivering the goods is continued without the customers bearing any extra cost and issues.

The UK/EU trade agreement has resulted in significant tariffs being applied to EU trade and this together with increased cost of freights and transportation are not sustainable in the long term.

The company already had its small team in EU who was responsible for distribution and sales of goods in EU. The directors who are also the shareholders after reviewing its EU strategy has set up a new logistics operation for distributing and selling goods to its EU customers.

The operation will be operated by a new company Uneek Clothing Co GmbH which is based in Germany and has common director.

22. **ULTIMATE CONTROLLING PARTY**

The company is controlled by Nasser Ali Khan (Director) by virtue of controlling 60% of the total share capital of the company.

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