

MD Flacks (UK) Ltd.

Unaudited Financial Statements

Year Ended

30 June 2019

Company Number 08105686

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MD Flacks (UK) Ltd.

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Md Flacks (uk) Ltd.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of M D Flacks (UK) Limited for the year ended 30/06/2019 as set out on pages 2 to 12 from the company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of M D Flacks (UK) Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of M D Flacks (UK) Limited and state those matters that we have agreed to state to the Board of Directors of M D Flacks (UK) Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than M D Flacks (UK) Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that M D Flacks (UK) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of M D Flacks (UK) Limited. You consider that M D Flacks (UK) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of M D Flacks (UK) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

BDO LLP

BDO LLP
London
United Kingdom

2/1/2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MD Flacks (UK) Ltd.
Registered number: 08105686

Statement of financial position
As at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	7	8,098	5,103
		<u>8,098</u>	<u>5,103</u>
Current assets			
Stocks	8	538,149	367,472
Debtors: amounts falling due within one year	9	9,072	7,177
Cash at bank and in hand	10	178,210	349,965
		<u>725,431</u>	<u>724,614</u>
Creditors: amounts falling due within one year	11	(49,683)	(58,243)
Net current assets		<u>675,748</u>	<u>666,371</u>
Total assets less current liabilities		<u>683,846</u>	<u>671,474</u>
Provisions for liabilities			
Deferred tax	13	(663)	(663)
		<u>(663)</u>	<u>(663)</u>
Net assets		<u><u>683,183</u></u>	<u><u>670,811</u></u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account		683,181	670,809
		<u><u>683,183</u></u>	<u><u>670,811</u></u>

MD Flacks (UK) Ltd.
Registered number: 08105686

Statement of financial position (continued)
As at 30 June 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

02/01/2020

Marcus Flacks
Director



The notes on pages 5 to 12 form part of these financial statements.

MD Flacks (UK) Ltd.

Statement of changes in equity For the year ended 30 June 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2017	2	454,396	454,398
Comprehensive income for the year			
Profit for the year	-	216,413	216,413
At 1 July 2018	2	670,809	670,811
Comprehensive income for the year			
Profit for the year	-	182,372	182,372
Dividends: Equity capital	-	(170,000)	(170,000)
At 30 June 2019	2	683,181	683,183

The notes on pages 5 to 12 form part of these financial statements.

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

1. General information

These financial statements are presented in Pounds (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company for the year ended 30 June 2019 and presented to the nearest Pound.

The company has determined that the (GBP) is its functional currency, as this is the currency of the economic environment in which the company predominantly operates.

The principal activity of the company during the year was the promotion and sale of Chinese Art and Antiques.

The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 12 Park Crescent, London, W1B 1PG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.3 Revenue

Turnover included in the financial statements represents the value of invoices raised in the year exclusive of Value Added Tax in respect of promotion and sale of art and antiques supplied during the year.

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings & Equipment	-	25% Straight Line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

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

2.11 Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

Subsequent measurement

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The director considers the valuation of stock as a key source of uncertainty.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions other than the valuation of inventory in the preparation of these financial statements.

4. Other operating income

	2019 £	2018 £
Commissions receivable	-	37,121
	<u>-</u>	<u>37,121</u>

5. Employees

The average monthly number of employees, including directors, during the year was 2 (2018 -2).

6. Dividends

	2019 £	2018 £
Dividends	170,000	-
	<u>170,000</u>	<u>-</u>

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

7. Tangible fixed assets

	Fixtures, fittings & Equipment £
Cost or valuation	
At 1 July 2018	13,468
Additions	6,218
	<hr/>
At 30 June 2019	19,686
	<hr/>
Depreciation	
At 1 July 2018	8,365
Charge for the year on owned assets	3,223
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At 30 June 2019	11,588
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Net book value	
At 30 June 2019	8,098
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At 30 June 2018	5,103
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MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

8. Stocks

	2019 £	2018 £
Finished goods and goods for resale	538,149	367,472
	<u>538,149</u>	<u>367,472</u>

9. Debtors

	2019 £	2018 £
Other debtors	2,467	-
Prepayments and accrued income	6,605	7,177
	<u>9,072</u>	<u>7,177</u>

10. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	178,210	349,965
	<u>178,210</u>	<u>349,965</u>

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	350	816
Corporation tax	44,083	51,754
Other taxation and social security	-	423
Accruals and deferred income	5,250	5,250
	<u>49,683</u>	<u>58,243</u>

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

12. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>178,210</u>	<u>349,965</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

13. Deferred taxation

	2019 £	2018 £
At beginning of year		(663)
Charged to profit or loss		-
At end of year		<u><u>(663)</u></u>
	2019 £	2018 £
Accelerated capital allowances	(663)	(663)
	<u>(663)</u>	<u>(663)</u>

14. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 -2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

15. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.

During the year, dividends of £170,000 (2018: £Nil) were paid to the directors.

MD Flacks (UK) Ltd.

Notes to the financial statements For the year ended 30 June 2019

16. Controlling party

The controlling parties are Marcus Flacks and Deborah Flacks, the directors and shareholders of the company.