

Registered number: 08105686

**MD FLACKS (UK) LTD.**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 JUNE 2018**

TUESDAY



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**MD FLACKS (UK) LTD.**

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF  
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MD FLACKS (UK) LTD.  
FOR THE YEAR ENDED 30 JUNE 2018**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MD Flacks (UK) Ltd. for the year ended 30 June 2018 which comprise the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company accounting records and from information and explanations you have given 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 MD Flacks (UK) Ltd., as a body, in accordance with the terms of our engagement letter dated 27 September 2016. Our work has been undertaken solely to prepare for your approval the financial statements of MD Flacks (UK) Ltd. and state those matters that we have agreed to state to the Board of Directors of MD Flacks (UK) Ltd., as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MD Flacks (UK) Ltd. and its Board of Directors, as a body, for our work or for this report.

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

We have not been instructed to carry out an audit or review of the financial statements of MD Flacks (UK) Ltd.. 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 financial statements.

*Moore Stephens LLP*

**Moore Stephens LLP**

150 Aldersgate Street  
London  
EC1A 4AB  
26 October 2018

**MD FLACKS (UK) LTD.**  
**REGISTERED NUMBER: 08105686**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	5	5,103	5,818
		<u>5,103</u>	<u>5,818</u>
<b>Current assets</b>			
Stocks	6	367,472	141,882
Debtors: amounts falling due within one year	7	7,177	89,516
Cash at bank and in hand	8	349,965	300,531
		<u>724,614</u>	<u>531,929</u>
Creditors: amounts falling due within one year	9	(58,243)	(83,349)
<b>Net current assets</b>		<u>666,371</u>	<u>448,580</u>
<b>Total assets less current liabilities</b>		<u>671,474</u>	<u>454,398</u>
<b>Provisions for liabilities</b>			
Deferred tax	11	(663)	-
		<u>(663)</u>	<u>-</u>
<b>Net assets</b>		<u><u>670,811</u></u>	<u><u>454,398</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account		670,809	454,396
		<u><u>670,811</u></u>	<u><u>454,398</u></u>

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**MD FLACKS (UK) LTD.**  
**REGISTERED NUMBER: 08105686**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 JUNE 2018**

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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.

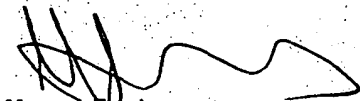
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 26 October 2018.



**Marcus Flacks**  
**Director**

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

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**MD FLACKS (UK) LTD.**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 July 2016</b>	<b>2</b>	<b>284,230</b>	<b>284,232</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	<b>310,166</b>	<b>310,166</b>
Dividends: Equity capital	-	<b>(140,000)</b>	<b>(140,000)</b>
<b>At 1 July 2017</b>	<b>2</b>	<b>454,396</b>	<b>454,398</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	<b>216,413</b>	<b>216,413</b>
<b>At 30 June 2018</b>	<b>2</b>	<b>670,809</b>	<b>670,811</b>

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

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## **MD FLACKS (UK) LTD.**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

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#### **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 2018 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 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 comprises revenue recognised by the company in respect of promotion and sale of art and antiques supplied during the year, exclusive of Value Added Tax.

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## MD FLACKS (UK) LTD.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 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

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.

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## MD FLACKS (UK) LTD.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 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.

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**MD FLACKS (UK) LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**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.

**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.

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 in the preparation of these financial statements.

**4. Employees**

The average monthly number of employees, including directors, during the year was 2 (2017 - 2).

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MD FLACKS (UK) LTD.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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5. Tangible fixed assets

	Fixtures, fittings & Equipment £
<b>Cost or valuation</b>	
At 1 July 2017	11,995
Additions	1,473
At 30 June 2018	<u>13,468</u>
<b>Depreciation</b>	
At 1 July 2017	6,177
Charge for the year on owned assets	2,188
At 30 June 2018	<u>8,365</u>
<b>Net book value</b>	
At 30 June 2018	<u><u>5,103</u></u>
At 30 June 2017	<u><u>5,818</u></u>

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**MD FLACKS (UK) LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**6. Stocks**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<b>367,472</b>	<b>141,882</b>
	<b>367,472</b>	<b>141,882</b>

**7. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other debtors	-	45,000
Prepayments and accrued income	<b>7,177</b>	<b>42,441</b>
Deferred taxation	-	2,075
	<b>7,177</b>	<b>89,516</b>

**8. Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>349,965</b>	<b>300,531</b>
	<b>349,965</b>	<b>300,531</b>

**9. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>816</b>	-
Corporation tax	<b>51,754</b>	<b>75,298</b>
Other taxation and social security	<b>423</b>	<b>2,800</b>
Accruals and deferred income	<b>5,250</b>	<b>5,251</b>
	<b>58,243</b>	<b>83,349</b>

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**MD FLACKS (UK) LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**10. Financial instruments**

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	349,965	300,531
	<u>349,965</u>	<u>300,531</u>

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

**11. Deferred taxation**

	2018 £	2017 £
At beginning of year		2,075
Charged to profit or loss		(2,738)
<b>At end of year</b>		<u>(663)</u>
	2018 £	2017 £
Accelerated capital allowances	(663)	-
Tax losses carried forward	-	2,075
	<u>(663)</u>	<u>2,075</u>

**12. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

MD FLACKS (UK) LTD.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

### 13. Share based payments

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#### 14. Related party transactions

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

## 15. Controlling party

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