

PSM Retail Limited

Unaudited financial statements

Registered number 09056568

For the Period ended 31 May 2018

Amended report for May 2018

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Company information

Directors	Sidney Okudzeto
Company number	09056568
Registered office	19 Cresent Rise London NW22 7AW
Bankers	Metro Bank One Southampton Square Row London WCB1B 5HA

Strategic report

This Strategic Report has been prepared solely to provide information to current and future stakeholders to assess how the director have performed his duty to promote the success of the Company.

The Strategic Report contains certain forward-looking statements. These statements are made by the director in good faith based on the information available to him up to the time of his approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Principal activities

The principal activity of the Company is that of an Apparel retail in the UK.

Business review and key performance indicators

In the period to year 31st May 2018, an increasingly challenging market resulted in the business experiencing 124% increase in pre-tax profit to £9,148 (2017: 36K loss) With a turnover he business of £258,976 yielding a healthy gross margin of 64%

The continued efforts of management is to maintain the highest levels of operational and customer service and develop a premium reputation for the PSM Retail brand.

The director and management seek both proactively and reactively to manage our responses to competitor activity in an increasingly unpredictable market; closely monitoring and managing all costs and cash flows to ensure a stable and robust foundation for the business.

Principal risks and uncertainties

Economic conditions, bad weather and the threat of terrorist activity are the greatest risks and uncertainties to the business. We endeavour to mitigate these risks by monitoring and maintaining a flexible cost base and through pricing initiatives and sales drives.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The directors' report further describes the financial position of the company.

The current economic conditions create uncertainty particularly over the level of demand for the company's products. The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements

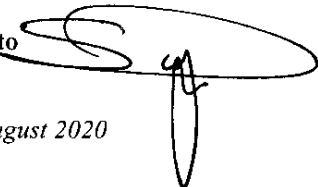
Future developments

The Company continues to look for opportunities for growth, while continuing to optimise existing operations.

Subsequent Events:

There are no subsequent events identified at the date of this report.

S. Okudzeto
Director



Date: 5th August 2020

Directors' report

The director presents the report for the year ended 31st May 2018 prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 100

Results

The profit for the period, before Tax was (£9,148).

Going concern, future developments, subsequent events

Details disclosed in Strategic Report.

Management of financial risk

The company makes little use of financial tools other than operational bank accounts; so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit of the company. Cash flow is managed by annual forecasts which are updated on a weekly basis in order to be responsive to the seasonal nature of the business and to market fluctuations.

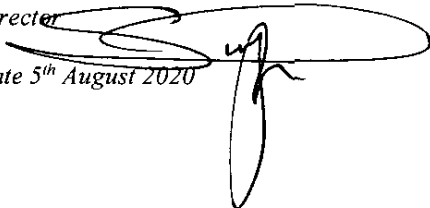
Small Companies exemptions

In Preparation this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

S. Okudzeto

Director

Date 5th August 2020

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a vertical line and a small flourish.

Directors' responsibilities statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has 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 director is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether they have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law); and
- 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website or other similar avenues deemed necessary. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Income statement
for the year ended 31st May 2018

	Note	2017 £	2018 £
Revenue	4	64,953	258,976
Cost of sales		(51,218)	(94,230)
Gross profit		13,736	164,746
Selling and distribution costs		(44,388)	(133,213)
Administrative expenses		(7,517)	(22,385)
Operating profit	2	(38,170)	9148
Finance income			
Finance expense			
Profit/(Loss) before tax	2	(38,170)	9148
Taxation			
Profit for the year		(38,170)	9148

All amounts relate to continuing operations.

The notes on pages 7-13 also form part of these financial statements.

Balance Sheet

As at 31st May 2018

	Notes	2017 £	2018 £
Non-current assets			
Property, plant and equipment			
Investments in subsidiary			
Current assets			
Inventories	8	58,782	118,570
Trade and other receivables	9	3,192	389
Cash and cash equivalents		1,886	1251
		<u>63,860</u>	<u>120,210</u>
Total assets		<u>63,860</u>	<u>120,210</u>
Current liabilities			
Trade and other payables	10	(30,564)	(32,360)
Provisions	11	(5,202)	(49,889)
		<u>(35,766)</u>	<u>(82,249)</u>
Non-current liabilities			
Deferred tax liabilities			
Directors Loan		(66,264)	(66,981)
Total liabilities		<u>(102,030)</u>	<u>(149,230)</u>
Net assets		<u>(38,170)</u>	<u>(29,020)</u>
Equity			
Share capital			
Share premium			
Retained earnings		(38,170)	(29,020)
Total equity		<u>(38,170)</u>	<u>(29,020)</u>

Balance Sheet

As at 31st May 2018

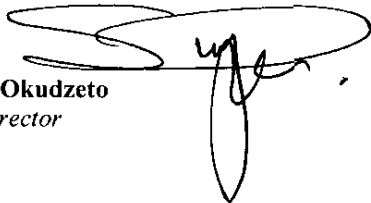
For the year ending 31 May 2018 the company was entitled to exemption from audit under **section 477 of the companies Act 2006 relating to small companies**

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006
- The director acknowledges their responsibilities for complying with the requirements of this Act with respect to accounting records and the preparation of accounts.

The notes on pages 7-13 also form part of these financial statements

These financial statements were approved by the director on 31st March 2020 and were signed on 5th August 2020

S. Okudzeto
Director

A handwritten signature in black ink, appearing to be 'S. Okudzeto', written over a horizontal line.

Notes to the financial statements

1. Accounting policies

The PSM Retail Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company and its principal activities are set out in the Directors Strategic Report on page 2. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Basis of preparation

The financial statement has been prepared under the historical cost convention and in accordance with section 1A of the Financial Reporting standard 102 as applicable in UK and the Companies Act 2006.

Going concern

The financial statements have been prepared on the going concern basis which the director believe to be appropriate because the company is in a net assets position and is profitable and expects to be able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the relevant accounting policy.

Revenue

Revenue comprises revenue recognised by the Company in respect of Apparel Sales to the general public, exclusive of value added tax, and is recognised on supply of these goods. Revenue is attributable to the principal activity of the company and arises in the United Kingdom. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the goods provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Tangible assets and depreciation

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

1. Accounting policies (continued)

Tangible assets and depreciation (continued)

Depreciation is provided at rates calculated to write off the cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	- over the period of the lease
Plant and machinery	- 25% Straight-line
Fixtures and fittings	- 25% straight-line

Inventory

Inventories are stated at the lower of cost or net realizable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Operating lease

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Finance lease

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes *(continued)*

Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that it will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Critical accounting judgements and key sources of estimation uncertainty

In the application of accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The below sets out the key judgement and sources of estimation uncertainties.

a) Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of all assets remains unchanged and fit within the accounting policies set in this document.

b) Provisions

Provisions are recognised when company has a present obligation (legal or constructive) as a result of a past event, it is probable that it will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision in the current year relates to VAT provision and is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Details of provision for the year ended 31st May 2017 are set in Note 11.

Notes (continued)

2. Expenses

	2017 £	2018 £
<i>Operating Profit is stated after charging/(crediting):</i>		
Depreciation	Nil	Nil
Staff cost	30,221	90,038

3. Inventory recognised through cost of sales in the year was as follows:

	2017 £	2018 £
Stock	58,782	118,570
	<u>58,782</u>	<u>118,570</u>

4. Revenue

Revenue is derived from the sales of Apparel. The Company has a single class of business, being the sales Apparel and accessories. Revenue is generated from locations as follows:

	2017 £	2018 £
UK	64,953	258,976
Total revenue	<u>64,953</u>	<u>258,976</u>

5. Staff numbers and costs

- (a) The average number of persons employed by the Company (including director) during the year, analysed by category, was as follows:

	2017 £	2018 £
Directors	1	1
Administration	7	9
	<u>8</u>	<u>10</u>

6. The aggregate payroll costs were as follows:

	2017 £	2018 £
Wages and salaries	30,221	91,265
Social security costs	3928	11864
	<u>34,149</u>	<u>103,129</u>

(b) Director's remuneration

The aggregate payroll costs include:

	£	£
Director's emoluments	<u>6000</u>	<u>24000</u>
	<u>6000</u>	<u>24000</u>

7. Taxation

Recognised in the income statement

	2017 £	2018 £
<i>Current tax expense</i>		
Current year	<u> </u>	<u> </u>
Adjustments to tax charge in respect of prior periods	<u> </u>	<u> </u>
Total current tax	<u> </u>	<u> </u>

	2017 £	2018 £
Profit before taxation	<u> </u>	<u>9148</u>
Tax using the UK corporation tax rate of 19% (2017: 19%)		(1734)
Non-deductible expenses		
Movement in deferred taxes		
Adjustments with respect to prior periods (2017 loss 38,170) 9148*19%		<u>1734</u>
Total tax expense	<u> </u>	<u>Nil</u>

Notes (continued)

8. Inventory

	2017 £	2018 £
Finished goods and goods for resale	58,782	118,570
	<u>58,782</u>	<u>118,570</u>

9. Trade and other receivables

	2017 £	2018 £
Trade receivables	1386	389
Other receivables		
	<u>1386</u>	<u>389</u>

10. Trade and other payables within one year

	2017 £	2018 £
Trade payables	(30,564)	(32,360)
Social security and other taxes	(5529)	(22,025)
	<u>(36,093)</u>	<u>(54385)</u>

11. Provision

	2017 £	2018 £
Provision balance relates to potential VAT exposure	337	(27,864)
Directors Loan		
	<u>337</u>	<u>(27,864)</u>

Notes (continued)

12. Payables: amounts falling due after more than one year

	2017 £	2018 £
Net obligations under Directors Loan	(66,264)	(66,981)
	<u> </u>	<u> </u>

13. Share capital

Each ordinary share carries one vote. The ordinary shares are unrestricted and carry the right to participate equally in any distributions, as respects dividends and as respects capital and are non-redeemable.

	2017 £	2018 £
<i>Allotted, called up and fully paid</i>	100	100
Ordinary shares of £1 each	<u> </u>	<u> </u>

Share premium	2017	2018 £
<i>Balance at 31st May 2018</i>	<u> </u>	<u> </u>

PSM Retail Limited

Selling and Distribution expense for year ended 31st May 2018

Staff Cost	91265
Epos rental	2720
AXA PPP	2416
Business Rates	8367
Rent	20049
Utilities	20
Window Display	290
Store Supplies Cost	6353
Courier and Postage	1734
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