

Company registration number 07022462 (England and Wales)

**MOTELROCKS UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# MOTELROCKS UK LIMITED

## COMPANY INFORMATION

---

<b>Director</b>	Mr P G Giles
<b>Company number</b>	07022462
<b>Registered office</b>	Unit 2 Berkeley Business Park Wainwright Road Worcester Worcestershire WR4 9FA
<b>Auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
<b>Bankers</b>	HSBC Bank Plc Church Green West Redditch Worcestershire B97 4EA

---

# MOTELROCKS UK LIMITED

## CONTENTS

---

	Page
Strategic report	1
Director's report	2 - 3
Independent auditor's report	4 - 6
Statement of income and retained earnings	7
Balance sheet	8
Notes to the financial statements	9 - 20

---

# **MOTELROCKS UK LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2023***

---

The director presents the strategic report for the year ended 31 March 2023.

### **Review of the business**

The principal activity of the company and group continued to be that of the sale of ladies designer clothing through wholesale agency outlets, retail outlets, concessionaire agencies and principal internet representatives.

There are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

### **Principal risks and uncertainties**

The Company's principal financial instruments comprise credit facilities.

Key risks to the Company are credit. Risk from debt exposure is minimised with a diversified customer base, strong credit control and support by credit insurance.

The directors believe the measures taken to safeguard its credit risks will allow the Company to continue to trade successfully in the current economic environment.

The directors see the major economic risk being from interest rates, however they will continue to minimise the risks and uncertainties of the Company with prudent forward planned price negotiation policies.

### **Development and performance**

The Company actively manages all facilities and its supply chain, constantly reviewing any exposure to risks and reacting accordingly. The majority of its products are imported from overseas which exposes the Company to fluctuations in exchange rates. The Company manages this risk by careful forward planning and negotiations to minimise exposure.

The Company will continue to manage its credit risk closely due to the current economic conditions.

### **Key performance indicators**

The directors consider the turnover and margin levels, along with stock turn, creditor and debtor days.

The directors do not believe that there are any non-financial key performance indicators that are relevant.

The directors believe the Company continues to be well positioned in the marketplace and has funding in place to meet its future commitments, and any other future plans.

On behalf of the board

Mr P G Giles  
**Director**

21 December 2023

# MOTELROCKS UK LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

---

The director presents his annual report and financial statements for the year ended 31 March 2023.

#### Principal activities

The principal activity of the company in the year under review was that of the sale of ladies designer clothing through wholesale agency outlets, retail outlets, concessionaire agencies and principal internet representatives.

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

#### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr P G Giles

#### Auditor

Ormerod Rutter were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 director must not approve the financial statements unless he is 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 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 director is 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. He is 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **MOTELROCKS UK LIMITED**

## **DIRECTOR'S REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

---

On behalf of the board

Mr P G Giles  
**Director**

21 December 2023

# MOTELROCKS UK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MOTELROCKS UK LIMITED

---

#### Opinion

We have audited the financial statements of Motelrocks UK Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including 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 2023 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

# MOTELROCKS UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOTELROCKS UK LIMITED

---

### 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 director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company, we identified the principle risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of financial statements such as the Companies Act 2006, and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management.

There are inherent limitations in the audit procedures described above. We are likely to become aware of instances of non-compliance with laws and regulations which are not closely related to events and transactions reflected in the financial statements. Also, 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 deliberate concealment by, for example, forgery, intentional misstatement or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



# **MOTELROCKS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOTELROCKS UK LIMITED**

---

Peter Ormerod FCA  
Senior Statutory Auditor  
For and on behalf of Ormerod Rutter Limited

21 December 2023

Chartered Accountants  
Statutory Auditor

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

## MOTELROCKS UK LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2023

		Year ended 31 March 2023 £	Period ended 31 March 2022 £
	Notes		
Turnover	2	35,871,656	55,513,657
Cost of sales		(27,474,263)	(45,833,236)
<b>Gross profit</b>		<b>8,397,393</b>	<b>9,680,421</b>
Administrative expenses		(8,094,218)	(8,890,459)
Other operating income		-	11,583
<b>Operating profit</b>	3	<b>303,175</b>	<b>801,545</b>
Interest payable and similar expenses	5	(80,144)	(82,374)
<b>Profit before taxation</b>		<b>223,031</b>	<b>719,171</b>
Tax on profit	7	(41,396)	(144,407)
<b>Profit for the financial year</b>		<b>181,635</b>	<b>574,764</b>
Retained earnings brought forward		1,682,019	1,107,255
Retained earnings carried forward		1,863,654	1,682,019

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MOTELROCKS UK LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		1,245,132		1,222,006
<b>Current assets</b>					
Stocks	9	3,852,609		5,497,706	
Debtors	10	2,291,013		974,540	
Cash at bank and in hand		574,655		357,044	
		<u>6,718,277</u>		<u>6,829,290</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(5,756,541)</u>		<u>(5,958,299)</u>	
<b>Net current assets</b>			961,736		870,991
<b>Total assets less current liabilities</b>			2,206,868		2,092,997
<b>Creditors: amounts falling due after more than one year</b>	12		(121,291)		(195,152)
<b>Provisions for liabilities</b>					
Deferred tax liability	13	<u>221,922</u>	<u>(221,922)</u>	<u>215,825</u>	<u>(215,825)</u>
<b>Net assets</b>			<u>1,863,655</u>		<u>1,682,020</u>
<b>Capital and reserves</b>					
Called up share capital	15		1		1
Profit and loss reserves			<u>1,863,654</u>		<u>1,682,019</u>
<b>Total equity</b>			<u>1,863,655</u>		<u>1,682,020</u>

The financial statements were approved and signed by the director and authorised for issue on 21 December 2023

Mr P G Giles

**Director**

**Company Registration No. 07022462**

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

##### Company information

Motelrocks UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Berkeley Business Park, Wainwright Road, Worcester, Worcestershire, United Kingdom, WR4 9FA.

#### 1.1 Reporting period

Motelrocks UK Limited changed the end of its reporting period from 31 December to 31 March in the last accounting period. Amounts presented for the 2023 reporting period are for a 12-month period. Comparative figures are for a 15-month period. Consequently, comparative amounts for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not entirely comparable.

#### 1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Motelrocks Group Limited. These consolidated financial statements are available from its registered office.

#### 1.3 Going concern

These financial statements have been drawn up on the going concern basis. If the going concern basis were not appropriate, adjustments would have been made to reduce assets to recoverable amounts, to provide for any further liabilities that might arise, and to re-classify fixed assets as current assets and long term liabilities as current liabilities.

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% on cost
Garment design library	10% on cost
Fixtures and fittings	15% on reducing balance
Computer equipment	33% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

---

### 1 Accounting policies

(Continued)

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

---

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.18 Factoring arrangements

The company has entered into a factoring arrangement for certain trade debtors. Amounts due from factored customers are included within trade debtors, with the amount due to the factoring company included within other creditors.

### 2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	21,525,288	30,752,931
Europe	3,054,023	681,953
Rest of the World	11,292,345	24,078,773
	<u>35,871,656</u>	<u>55,513,657</u>
	2023 £	2022 £
<b>Other revenue</b>		
Grants received	-	11,583
	<u>-</u>	<u>11,583</u>

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 3 Operating profit

	2023	2022
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange losses	274,145	160,156
Government grants	-	(11,583)
Fees payable to the company's auditor for the audit of the company's financial statements	19,800	18,000
Depreciation of owned tangible fixed assets	244,802	240,389
Depreciation of tangible fixed assets held under finance leases	22,474	18,421
Profit on disposal of tangible fixed assets	-	(181)
Operating lease charges	601,421	485,266
	<u>601,421</u>	<u>485,266</u>

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2023	2022
Number	Number
112	114
<u>112</u>	<u>114</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,971,729	3,928,032
Social security costs	219,824	234,502
Pension costs	52,149	50,747
	<u>3,243,702</u>	<u>4,213,281</u>

### 5 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	29,892	10,337
Other interest on financial liabilities	38,740	43,390
Interest on finance leases and hire purchase contracts	3,889	2,877
Other interest	7,623	25,770
	<u>80,144</u>	<u>82,374</u>

### 6 Director's remuneration

	2023	2022
	£	£
Remuneration for qualifying services	12,012	12,120
	<u>12,012</u>	<u>12,120</u>

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	30,472	41,557
Adjustments in respect of prior periods	565	(1,328)
Total current tax	31,037	40,229
<b>Deferred tax</b>		
Origination and reversal of timing differences	10,359	104,178
Total tax charge	41,396	144,407

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	223,031	719,171
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	42,376	136,642
Tax effect of expenses that are not deductible in determining taxable profit	602	9,709
Group relief	(5,405)	(3,097)
Permanent capital allowances in excess of depreciation	(3,575)	(5,547)
Depreciation on assets not qualifying for tax allowances	6,833	8,028
Under/(over) provided in prior years	565	(1,328)
Taxation charge for the period	41,396	144,407

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Tangible fixed assets

	Leasehold improvements	Garment design library	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2022	112,527	1,176,996	148,631	516,450	81,850	2,036,454
Additions	4,940	225,000	-	60,462	-	290,402
	<u>117,467</u>	<u>1,401,996</u>	<u>148,631</u>	<u>576,912</u>	<u>81,850</u>	<u>2,326,856</u>
<b>At 31 March 2023</b>						
<b>Depreciation and impairment</b>						
At 1 April 2022	6,782	404,990	46,539	342,682	13,455	814,448
Depreciation charged in the year	10,822	117,700	15,315	106,340	17,099	267,276
	<u>17,604</u>	<u>522,690</u>	<u>61,854</u>	<u>449,022</u>	<u>30,554</u>	<u>1,081,724</u>
<b>At 31 March 2023</b>						
<b>Carrying amount</b>						
At 31 March 2023	99,863	879,306	86,777	127,890	51,296	1,245,132
At 31 March 2022	105,745	772,006	102,092	173,768	68,395	1,222,006

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Fixtures and fittings	30,457	35,832
Motor vehicles	51,296	68,395
	<u>81,753</u>	<u>104,227</u>

### 9 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	3,852,609	5,497,706

### 10 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	594,979	568,845
Other debtors	1,519,020	164,547
Prepayments and accrued income	177,014	236,886
	<u>2,291,013</u>	<u>970,278</u>

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Debtors (Continued)

	2023 £	2022 £
Amounts falling due after more than one year:		
Deferred tax asset (note 13)	-	4,262
<b>Total debtors</b>	<b>2,291,013</b>	<b>974,540</b>

### 11 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans		42,000	42,000
Obligations under finance leases		31,861	31,861
Trade creditors		1,408,158	2,670,223
Amounts owed to group undertakings		508,306	609,179
Corporation tax		30,472	41,557
Other taxation and social security		112,775	630,130
Other creditors		2,961,116	1,066,057
Accruals and deferred income		661,853	867,292
		<b>5,756,541</b>	<b>5,958,299</b>

### 12 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts		94,500	136,500
Obligations under finance leases		26,791	58,652
		<b>121,291</b>	<b>195,152</b>

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
<b>Balances:</b>				
Accelerated capital allowances	221,922	215,825	-	-
Tax losses	-	-	-	834
Retirement benefit obligations	-	-	-	3,428
	<b>221,922</b>	<b>215,825</b>	<b>-</b>	<b>4,262</b>

# MOTELROCKS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 13 Deferred taxation (Continued)

	2023 £
<b>Movements in the year:</b>	
Liability at 1 April 2022	211,563
Charge to profit or loss	10,359
Liability at 31 March 2023	<u>221,922</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 14 Secured debts

The following secured debts are included within creditors:

	2023 £	2022 £
Hire purchase contracts	58,652	90,513
Bank loans	136,500	178,500
Factoring account	1,219,515	147,676
	<u>1,414,667</u>	<u>416,689</u>

Hire purchase contracts are secured against the assets to which they relate.

Bank loans are secured by way of a fixed and floating charge over all assets of the company.

All monies due or to become due from the company to the factoring company, Bibby Financial Services or HSBC Funding, are secured against trade debtors.

### 15 Share capital

	2023 £	2022 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
Ordinary A of £1 each	<u>1</u>	<u>1</u>

### 16 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>52,149</u>	<u>50,747</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 17 Related party transactions

## MOTELROCKS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 17 Related party transactions

(Continued)

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### 18 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	294,579	305,241
Between two and five years	668,705	963,284
	<u>963,284</u>	<u>1,268,525</u>

#### 19 Ultimate controlling party

##### Ultimate parent company

The ultimate parent company is Motelrocks Group Limited, a company registered in England and Wales.

##### Ultimate controlling party

The ultimate controlling party is Mr W J Giles, by virtue of his controlling interest in the ultimate parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.