

**WATTS AND CO. (FURNISHINGS)
LIMITED**

**DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2016**

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WATTS AND CO. (FURNISHINGS) LIMITED

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WATTS AND CO. (FURNISHINGS) LIMITED

COMPANY INFORMATION

Directors

Fiona Flint
Michael Hoare
David Gazeley (resigned 31 December 2016)
Marie De Caraman Chimay
Robert Hoare

Registration number

02173133

Registered office

Faith House
7 Tufton Street
Westminster
London
SW1P 3QE

Accountants

Lewis Golden LLP
40 Queen Anne Street
London
W1G 9EL

WATTS AND CO. (FURNISHINGS) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	20,897	35,240
		<u>20,897</u>	<u>35,240</u>
Current assets			
Stocks	6	272,584	341,630
Debtors	7	48,570	55,722
Cash at bank and in hand		287,751	88,311
		<u>608,905</u>	<u>485,663</u>
Creditors: Amounts falling due within one year	8	(355,563)	(238,208)
		<u>253,342</u>	<u>247,455</u>
Net current assets		<u>253,342</u>	<u>247,455</u>
Total assets less current liabilities		<u>274,239</u>	<u>282,695</u>
Provisions for liabilities			
Deferred tax	9	(2,834)	(5,030)
		<u>(2,834)</u>	<u>(5,030)</u>
Net assets		<u><u>271,405</u></u>	<u><u>277,665</u></u>
Capital and reserves			
Called up share capital		1,552	1,570
Share premium account		233,680	233,680
Capital redemption reserve		18	-
Profit and loss account		36,155	42,415
		<u>271,405</u>	<u>277,665</u>

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 the 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.

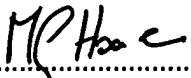
The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has opted not to file the directors' report and profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

WATTS AND CO. (FURNISHINGS) LIMITED

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016**

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


.....
Michael Hoare
Director

Date: 7/9/17

The notes on pages 4 to 9 form part of these financial statements.

WATTS AND CO. (FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Watts and Co. (Furnishings) Limited is a private company limited by share capital, incorporated in England and Wales, registration number 02173133. The address of the registered office is Faith House, 7 Tufton Street, Westminster, London, SW1P 3QE.

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.

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 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:

Leasehold improvements	-	25% Straight line basis
Plant and machinery etc.	-	25% Straight line basis

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 Profit and loss account.

WATTS AND CO. (FURNISHINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 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 balance sheet 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.

2.5 Debtors

Short term debtors are measured at the 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.

2.6 Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term 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.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

2.8 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. Accounting policies (continued)

2.9 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 Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

2.10 Pensions

Defined contribution pension scheme

The company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

WATTS AND CO. (FURNISHINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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 balance sheet date in the countries where the company operates and generates income.

3. First time adoption of FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015. There are no transitional adjustments arising from the first time adoption of FRS 102.

4. Employees

The average monthly number of employees, including directors, during the year was 7 (2015: 7).

WATTS AND CO. (FURNISHINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery etc. £	Total £
Cost			
At 1 January 2016	27,503	185,706	213,209
Additions	-	5,680	5,680
Disposals	-	(55,489)	(55,489)
At 31 December 2016	27,503	135,897	163,400
Depreciation			
At 1 January 2016	27,005	150,964	177,969
Charge for the period on owned assets	249	14,983	15,232
Disposals	-	(50,698)	(50,698)
At 31 December 2016	27,254	115,249	142,503
Net book value			
At 31 December 2016	249	20,648	20,897
At 31 December 2015	498	34,742	35,240

6. Stocks

	2016 £	2015 £
Finished goods and goods for resale	272,584	341,630
	272,584	341,630

7. Debtors

	2016 £	2015 £
Trade debtors	12,740	26,737
Other debtors	35,830	28,985
	48,570	55,722

WATTS AND CO. (FURNISHINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	171,726	120,733
Corporation tax	3,945	1,942
Other taxation and social security	21,928	10,391
Other creditors	157,964	105,142
	<u>355,563</u>	<u>238,208</u>

9. Deferred taxation

	2016
	£
At beginning of year	(5,030)
Charged to profit or loss	2,196
At end of year	<u>(2,834)</u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	(2,834)	(5,030)
	<u>(2,834)</u>	<u>(5,030)</u>

10. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases of £268,390 (2015: £99,430).

11. Related party transactions

Other creditors includes interest free loans of £8,506 (£6,063) which have been loaned to the company by the directors.