

A & L Furnishings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2017

Kingham Accountants Limited
Chartered Accountants
161 College Street
St Helens
Merseyside
WA10 1TY

A & L Furnishings Limited
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A & L Furnishings Limited
Company Information

Directors	Mr Ian McManus			
	Mrs Jacqueline McManus			
Registered office	Unit	15	Farington	Old Mill
	Centurion		Industrial	Estate
L e y l a n d				
PR25 4GU				
Accountants	Kingham	Accountants	Limited	
	Chartered		Accountants	
	161	College	Street	
	St		Helens	
	Merseyside			
WA10 1TY				

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
A & L Furnishings Limited
for the Year Ended 31 March 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of A & L Furnishings Limited for the year ended 31 March 2017 as set out on pages 3 to 9 from the company's 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 A & L Furnishings Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of A & L Furnishings Limited and state those matters that we have agreed to state to the Board of Directors of A & L Furnishings Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A & L Furnishings Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that A & L Furnishings Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of A & L Furnishings Limited. You consider that A & L Furnishings Limited is exempt from the statutory audit requirement for the year.

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

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Kingham Accountants Limited
Chartered Accountants
161 College Street
St Helens
Merseyside
WA10 1TY

30 April 2017

A & L Furnishings Limited
(Registration number: 08583175)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>4</u>	176,458	203,958
Tangible assets	<u>5</u>	101,336	126,390
		<hr/> 277,794	<hr/> 330,348
Current assets			
Stocks	<u>6</u>	135,902	153,401
Debtors	<u>7</u>	351,039	358,776
Cash at bank and in hand		350,882	201,080
		<hr/> 837,823	<hr/> 713,257
Creditors: Amounts falling due within one year	<u>8</u>	(337,969)	(417,699)
Net current assets		<hr/> 499,854	<hr/> 295,558
Total assets less current liabilities		777,648	625,906
Creditors: Amounts falling due after more than one year	<u>8</u>	-	(41,667)
Net assets		<hr/> 777,648	<hr/> 584,239
Capital and reserves			
Called up share capital		100	100
Profit and loss account		777,548	584,139
		<hr/> 777,648	<hr/> 584,239

For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 5 to 9 form an integral part of these financial statements.

A & L Furnishings Limited
(Registration number: 08583175)
Balance Sheet as at 31 March 2017

Approved and authorised by the Board on 30 April 2017 and signed on its behalf by:

.....
Mr Ian McManus
Director

The notes on pages 5 to 9 form an integral part of these financial statements.

A & L Furnishings Limited
Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:
Unit 15 Farington Old Mill
Centurion Industrial Estate
Leysland
PR25 4GU

These financial statements were authorised for issue by the Board on 30 April 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, Fittings & Equipment	25% reducing balance
Motor vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

A & L Furnishings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Asset class	Amortisation method and rate
Goodwill	10% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

A & L Furnishings Limited
Notes to the Financial Statements for the Year Ended 31 March 2017

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2016 - 34).

4 Intangible assets

	Goodwill	Total
	£	£
Cost or valuation		
At 1 April 2016	275,000	275,000
	<hr/>	<hr/>
At 31 March 2017	275,000	275,000
	<hr/>	<hr/>
Amortisation		
At 1 April 2016	71,042	71,042
Amortisation charge	27,500	27,500
	<hr/>	<hr/>
At 31 March 2017	98,542	98,542
	<hr/>	<hr/>
Carrying amount		
At 31 March 2017	176,458	176,458
	<hr/>	<hr/>
At 31 March 2016	203,958	203,958
	<hr/>	<hr/>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

A & L Furnishings Limited
Notes to the Financial Statements for the Year Ended 31 March 2017

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2016	168,995	21,545	190,540
Additions	8,725	-	8,725
	<hr/>	<hr/>	<hr/>
At 31 March 2017	177,720	21,545	199,265
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2016	61,457	2,693	64,150
Charge for the year	29,066	4,713	33,779
	<hr/>	<hr/>	<hr/>
At 31 March 2017	90,523	7,406	97,929
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2017	87,197	14,139	101,336
	<hr/>	<hr/>	<hr/>
At 31 March 2016	107,538	18,852	126,390
	<hr/>	<hr/>	<hr/>

6 Stocks

	2017 £	2016 £
Work in progress	28,559	28,988
Other inventories	107,343	124,413
	<hr/>	<hr/>

135,902	153,401
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7 Debtors

	2017 £	2016 £
Trade debtors	350,439	358,776
Other debtors	600	-
Total current trade and other debtors	351,039	358,776

8 Creditors

A & L Furnishings Limited
Notes to the Financial Statements for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	9	41,667	125,000
Trade creditors		91,767	108,197
Amounts owed to group undertakings and undertakings in which the company has a participating interest		59,155	75,459
Taxation and social security		64,440	59,567
Other creditors		80,940	49,476
		<u>337,969</u>	<u>417,699</u>

Due after one year

Loans and borrowings	9	-	41,667
		<u>-</u>	<u>41,667</u>

9 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Other borrowings	-	41,667
	<u>-</u>	<u>41,667</u>

	2017 £	2016 £
Current loans and borrowings		
Other borrowings	41,667	125,000
	<u>41,667</u>	<u>125,000</u>

10 Dividends

Final dividends paid

2017
£

2016
£

Final dividend of £590 (2016 - £100) per each Ordinary share

59,000

10,000

A & L Furnishings Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover (analysed below)	1,925,300	1,740,428
Cost of sales (analysed below)	(1,262,267)	(1,128,034)
Gross profit	663,033	612,394
Gross profit (%)	34.44%	35.19%
Administrative expenses		
Employment costs (analysed below)	(92,118)	(147,783)
Establishment costs (analysed below)	(154,507)	(153,856)
General administrative expenses (analysed below)	(25,236)	(29,165)
Finance charges (analysed below)	(1,349)	(2,545)
Depreciation costs (analysed below)	(61,278)	(52,439)
Other expenses (analysed below)	-	(669)
	(334,488)	(386,457)
Other operating income (analysed below)	105	-
Operating profit	328,650	225,937
Other interest receivable and similar income (analysed below)	-	55
Profit before tax	328,650	225,992

This page does not form part of the statutory financial statements.

A & L Furnishings Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017	2016
	£	£
Turnover		
Sales, UK	1,919,245	1,740,428
Grants and subsidies receivable	6,055	-
	<hr/>	<hr/>
	1,925,300	1,740,428
	<hr/> <hr/>	<hr/> <hr/>
Cost of sales		
Opening stock	124,412	127,337
Opening work in progress	28,989	12,536
Purchases	787,906	725,532
Closing stock	(107,343)	(124,412)
Closing work in progress	(28,559)	(28,989)
Wages and salaries	456,862	416,030
	<hr/>	<hr/>
	1,262,267	1,128,034
	<hr/> <hr/>	<hr/> <hr/>
Employment costs		
Wages and salaries	(67,301)	(64,741)
Staff NIC (Employers)	(5,895)	(5,617)
Directors remuneration	(17,466)	(70,001)
Directors NIC (Employers)	(326)	(7,424)
Staff training	(1,130)	-
	<hr/>	<hr/>

(92,118) (147,783)

Establishment costs

Rent (69,408) (70,119)

Rates & water (31,048) (38,886)

Light, heat and power (29,375) (29,163)

Insurance (12,677) (11,866)

Repairs and renewals (11,999) (3,822)

(154,507) (153,856)

This page does not form part of the statutory financial statements.

A & L Furnishings Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2017

General administrative expenses

Telephone and fax	(2,888)	(2,380)
Computer software and maintenance costs	(1,153)	(1,787)
Printing, postage and stationery	(2,095)	(1,704)
Hire of plant and machinery (Operating leases)	(3,860)	(5,417)
Sundry expenses	(687)	(103)
Cleaning	(117)	(201)
Motor expenses	(5,421)	(6,941)
Advertising	(1,597)	(3,851)
Accountancy fees	(3,700)	(4,796)
Consultancy fees	(3,309)	(2,330)
Bad debts written off	(409)	345
	<hr/>	<hr/>
	(25,236)	(29,165)
	<hr/>	<hr/>

Finance charges

Bank charges	(1,349)	(2,545)
	<hr/>	<hr/>

Depreciation costs

Amortisation of goodwill	(27,500)	(27,500)
Depreciation of fixtures and fittings (owned)	(29,066)	(22,246)
Depreciation of motor vehicles (owned)	(4,712)	(2,693)
	<hr/>	<hr/>

(61,278) (52,439)

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Other operating income

Other operating income

105 -

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