

**LARKBURY GROUP LIMITED**  
**Group Strategic Report,**  
**Report of the Directors and**  
**Consolidated Financial Statements**  
**for the period**  
**1 April 2017 to 30 September 2018**



**LARKBURY GROUP LIMITED**

**Contents of the Consolidated Financial Statements  
for the period 1 April 2017 to 30 September 2018**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>7</b>
<b>Consolidated Balance Sheet</b>	<b>8</b>
<b>Company Balance Sheet</b>	<b>9</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>10</b>
<b>Company Statement of Changes in Equity</b>	<b>11</b>
<b>Consolidated Cash Flow Statement</b>	<b>12</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>14</b>

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**LARKBURY GROUP LIMITED**

**Company Information**  
**for the period 1 April 2017 to 30 September 2018**

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**Directors:** K Ahmed  
I A Alfadle  
M W Sharbatly

**Registered office:** 1 Western Avenue Business Park  
Mansfield Road  
London  
W3 0BZ

**Registered number:** 10076419 (England and Wales)

**Auditors:** Haines Watts  
Chartered Accountants & Statutory Auditor  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

**LARKBURY GROUP LIMITED**  
**Group Strategic Report**  
**for the period 1 April 2017 to 30 September 2018**

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The Directors present their strategic report for the period ended 30 September 2018. Our review is consistent with the size and nature of our business and is written in the context of the market sector that we operate in and the opportunities, risks and uncertainties we face.

**Review of business**

The group's principal activities continue to be that of a manufacturer and retailer of luxury furniture.

The results for the period to 30 September 2018 were above expectations and this is due to growth in sales by 15%, when comparing amounts on a monthly average basis. This was achieved by utilizing the strength of the brand and developing new products to cater for the increased demand for supreme quality furniture and accessories.

The group made a profit before interest, taxation, depreciation and amortisation of £0.9m (2017: £0.01m). This was largely due to an increase in gross margin from 48% to 50%.

This year the group revalued one of its freehold properties in London, resulting in a £1.9m contribution to other comprehensive income.

**Financial Key Performance Indicators**

	<b>2018 (18m)</b>	<b>2017 (12m)</b>
Turnover	£31.8m	£18.4m
Gross profit	£16.0m	£8.9m

**Principal risks and uncertainties**

The following are considered by the directors to be the principal risks and uncertainties for the group:

**Competitive Risk:** The luxury furniture and accessories industry is highly competitive and fragmented in nature due to the diversity of product offering and the strategic choice of companies to be specialized in one product segment offering. As such, it is difficult for retailers to negotiate high discounts from suppliers due to small volumes of transactions with these specialized suppliers. For that reason, the group has begun a process to consolidate its preferred suppliers in order to improve bargaining power and improve margins.

**Financial Risk Management:** The group's principal financial instruments comprise cash and borrowings. The group has other financial instruments such as trade debtors and trade creditors which arise directly from operations and are reviewed for recoverability on a regular basis.

**Future developments**

The directors are pleased with the positive start to the current financial year especially with the new investors joining the group. There are several strategic and operational projects that the group has initiated in order to build a solid foundation for future growth. These projects, which some have been completed, are to be executed over the current financial year. They will help the group to grow its sales steadily and increase its gross margin to healthier levels. With its plans to become the largest showroom for luxury furniture in London by extending its display offering to the customers, the group plans to become the first destination of choice for retail customers and the best partner for trade customers.

**LARKBURY GROUP LIMITED**

**Group Strategic Report  
for the period 1 April 2017 to 30 September 2018**

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**Research & development activities**

The group continues to invest in the development of new products and designs and improving the durability, comfort, quality and longevity of its products. We constantly seek, to improve our manufacturing process to enhance efficiency, reliability and safety. There will be a detailed assessment of all the machinery in our production facilities in order to forecast our capital expenditures for the coming two years in order to deliver the sales figures while continuing to produce high quality products.

**On behalf of the board:**



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K Ahmed - Director

Date: 25/06/2019

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**LARKBURY GROUP LIMITED**  
**Report of the Directors**  
**for the period 1 April 2017 to 30 September 2018**

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The directors present their report with the financial statements of the company and the group for the period 1 April 2017 to 30 September 2018.

**Dividends**

No dividends will be distributed for the period ended 30 September 2018.

**Directors**

K Ahmed has held office during the whole of the period from 1 April 2017 to the date of this report.

Other changes in directors holding office are as follows:

I A Alfadle - appointed 15 June 2018

M W Sharbatly - appointed 15 June 2018

**Donations**

During the period donations of £59,182 were made to the Daanish Foundation whose vision is to promote the advancement of education for disadvantaged young people who are deprived from the right of education due to war and poverty.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 directors have 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**On behalf of the board:**



K Ahmed - Director

Date: 25/06/2019

## **Report of the Independent Auditors to the Members of Larkbury Group Limited**

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### **Opinion**

We have audited the financial statements of Larkbury Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 September 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 group's and of the parent company affairs as at 30 September 2018 and of the group's loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Larkbury Group Limited**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are 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 directors determine 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.*


**Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.



Gary Staunton (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants & Statutory Auditor  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

25 June 2019



**LARKBURY GROUP LIMITED**

**Consolidated Statement of Comprehensive Income**  
for the period 1 April 2017 to 30 September 2018

	Notes	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
<b>Turnover</b>	3	31,804,290	18,414,798
Cost of sales		<u>(15,813,484)</u>	<u>(9,546,280)</u>
<b>Gross profit</b>		15,990,806	8,868,518
Distribution costs		(1,759,731)	(1,142,552)
Administrative expenses		<u>(14,226,859)</u>	<u>(8,856,610)</u>
<b>Operating profit/(loss)</b>	6	4,216	(1,130,644)
Write off of loan to group entity		-	(812,035)
Profit on disposal of fixed assets		-	1,631,608
Interest receivable and similar income		<u>3,531</u>	<u>387</u>
		7,747	(310,684)
Interest payable and similar expenses	7	<u>(286,773)</u>	<u>(913,779)</u>
<b>Loss before taxation</b>		(279,026)	(1,224,463)
Tax on loss	8	<u>(13,089)</u>	<u>186,788</u>
<b>Loss for the financial period</b>		(292,115)	(1,037,675)
<b>Other comprehensive income</b>			
Revaluation on freehold property		2,215,732	-
Income tax relating to other comprehensive income		<u>(345,599)</u>	<u>-</u>
<b>Other comprehensive income for the period, net of income tax</b>		<u>1,870,133</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>1,578,018</u>	<u>(1,037,675)</u>
Profit/(loss) attributable to: Owners of the parent		<u>(292,115)</u>	<u>(1,037,675)</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,578,018</u>	<u>(1,037,675)</u>

The notes form part of these financial statements

**LARKBURY GROUP LIMITED (REGISTERED NUMBER: 10076419)**

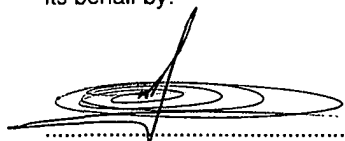
**Consolidated Balance Sheet  
30 September 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	10		63,581		18,993
Tangible assets	11		4,593,372		2,960,055
Investments	12		-		-
			<u>4,656,953</u>		<u>2,979,048</u>
<b>Current assets</b>					
Stocks	13	4,653,287		4,313,297	
Debtors: amounts falling due within one year	14	1,333,378		1,617,834	
Debtors: amounts falling due after more than one year	14	936,217		900,000	
Cash at bank		<u>761,697</u>		<u>508,876</u>	
		7,684,579		7,340,007	
<b>Creditors</b>					
Amounts falling due within one year	15	<u>6,755,431</u>		<u>7,992,691</u>	
<b>Net current assets/(liabilities)</b>			<u>929,148</u>		<u>(652,684)</u>
<b>Total assets less current liabilities</b>			<u>5,586,101</u>		<u>2,326,364</u>
<b>Creditors</b>					
Amounts falling due after more than one year	16		(2,522,553)		(2,470,792)
<b>Provisions for liabilities</b>	19		<u>(494,838)</u>		<u>(243,959)</u>
<b>Net assets/(liabilities)</b>			<u>2,568,710</u>		<u>(388,387)</u>
<b>Capital and reserves</b>					
Called up share capital	20		16,500		10,000
Share premium	21		993,500		-
Revaluation reserve	21		1,870,133		-
Other reserves	21		379,079		-
Retained earnings	21		<u>(690,502)</u>		<u>(398,387)</u>
<b>Shareholders' funds</b>			<u>2,568,710</u>		<u>(388,387)</u>

The financial statements were approved by the Board of Directors on its behalf by:

25/06/2019

and were signed on

  
.....  
K Ahmed - Director

The notes form part of these financial statements

**LARKBURY GROUP LIMITED (REGISTERED NUMBER: 10076419)**

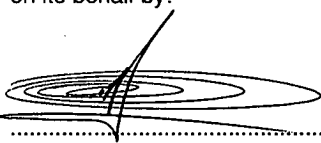
**Company Balance Sheet  
30 September 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		<u>3,010,701</u>		<u>10,000</u>
			<b>3,010,701</b>		<b>10,000</b>
<b>Creditors</b>					
Amounts falling due within one year	15	<u>1,170,524</u>		<u>169,823</u>	
<b>Net current liabilities</b>			<u>(1,170,524)</u>		<u>(169,823)</u>
<b>Total assets less current liabilities</b>			<b>1,840,177</b>		<b>(159,823)</b>
<b>Creditors</b>					
Amounts falling due after more than one year	16		<u>636,912</u>		<u>-</u>
<b>Net assets/(liabilities)</b>			<u><b>1,203,265</b></u>		<u><b>(159,823)</b></u>
<b>Capital and reserves</b>					
Called up share capital	20		16,500		10,000
Share premium			993,500		-
Other reserves			379,079		-
Retained earnings			<u>(185,814)</u>		<u>(169,823)</u>
<b>Shareholders' funds</b>			<u><b>1,203,265</b></u>		<u><b>(159,823)</b></u>
 Company's loss for the financial year			<u><b>(15,991)</b></u>		<u><b>(169,823)</b></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on  
on its behalf by:

25/06/2019 and were signed



.....  
K Ahmed - Director

The notes form part of these financial statements

LARKBURY GROUP LIMITED

Consolidated Statement of Changes in Equity  
for the period 1 April 2017 to 30 September 2018

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 April 2016</b>	10,000	639,288	-
<b>Changes in equity</b>			
Total comprehensive income	-	(1,037,675)	-
<b>Balance at 31 March 2017</b>	10,000	(398,387)	-
<b>Changes in equity</b>			
Issue of share capital	6,500	-	993,500
Total comprehensive income	-	(292,115)	-
<b>Balance at 30 September 2018</b>	16,500	(690,502)	993,500
	Revaluation reserve £	Other reserves £	Total equity £
<b>Balance at 1 April 2016</b>	-	9,191	658,479
<b>Changes in equity</b>			
Total comprehensive income	-	(9,191)	(1,046,866)
<b>Balance at 31 March 2017</b>	-	-	(388,387)
<b>Changes in equity</b>			
Issue of share capital	-	-	1,000,000
Total comprehensive income	1,870,133	379,079	1,957,097
<b>Balance at 30 September 2018</b>	1,870,133	379,079	2,568,710

The notes form part of these financial statements

**LARKBURY GROUP LIMITED**

**Company Statement of Changes in Equity  
for the period 1 April 2017 to 30 September 2018**

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	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
<b>Balance at 1 April 2016</b>	10,000	-	-	-	10,000
<b>Changes in equity</b>					
Total comprehensive income	-	(169,823)	-	-	(169,823)
<b>Balance at 31 March 2017</b>	<u>10,000</u>	<u>(169,823)</u>	<u>-</u>	<u>-</u>	<u>(159,823)</u>
<b>Changes in equity</b>					
Issue of share capital	6,500	-	993,500	-	1,000,000
Total comprehensive income	-	(15,991)	-	379,079	363,088
<b>Balance at 30 September 2018</b>	<u><u>16,500</u></u>	<u><u>(185,814)</u></u>	<u><u>993,500</u></u>	<u><u>379,079</u></u>	<u><u>1,203,265</u></u>

The notes form part of these financial statements

**LARKBURY GROUP LIMITED**

**Consolidated Cash Flow Statement  
for the period 1 April 2017 to 30 September 2018**

		Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
<b>Cash flows from operating activities</b>	<b>Notes</b>		
Cash generated from operations	1	(1,629,260)	1,399,059
Interest paid		(286,773)	(913,779)
Tax paid		<u>226,643</u>	<u>(63,339)</u>
Net cash from operating activities		<u>(1,689,390)</u>	<u>421,941</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(67,726)	-
Purchase of tangible fixed assets		(355,679)	(1,608,749)
Purchase of investment property		-	(169,823)
Sale of tangible fixed assets		-	3,500,000
Loans to investment entities		-	(812,035)
Interest received		<u>3,531</u>	<u>387</u>
Net cash from investing activities		<u>(419,874)</u>	<u>909,780</u>
<b>Cash flows from financing activities</b>			
New loans in year		1,636,911	-
Loan repayments in year		(289,956)	(2,442,699)
Capital repayments in year		(727,898)	-
Share issue		1,000,000	-
Payments on finance leases liabilities		363,949	230,497
Issue of convertible debt		<u>379,079</u>	<u>-</u>
Net cash from financing activities		<u>2,362,085</u>	<u>(2,212,202)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>252,821</u>	<u>(880,481)</u>
<b>Cash and cash equivalents at beginning of period</b>	2	<u>508,876</u>	<u>1,389,357</u>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>761,697</u></u>	<u><u>508,876</u></u>

The notes form part of these financial statements

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Cash Flow Statement  
for the period 1 April 2017 to 30 September 2018**

**1. Reconciliation of loss before taxation to cash generated from operations**

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Loss before taxation	(279,026)	(1,224,463)
Depreciation charges	929,712	599,143
Profit on disposal of fixed assets	-	(1,693,683)
Impairment of investments and loans	-	981,858
Equity-settled share based payments	-	(9,191)
Finance costs	286,773	913,779
Finance income	<u>(3,531)</u>	<u>(387)</u>
	<b>933,928</b>	<b>(432,944)</b>
Increase in stocks	(339,990)	(851,257)
Decrease/(increase) in trade and other debtors	41,915	(30,234)
Decrease in trade and other creditors	<u>(2,265,113)</u>	<u>2,713,494</u>
<b>Cash generated from operations</b>	<b><u>(1,629,260)</u></b>	<b><u>1,399,059</u></b>

**2. Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 30 September 2018**

	30/9/18 £	1/4/17 £
Cash and cash equivalents	<u>761,697</u>	<u>508,876</u>

**Year ended 31 March 2017**

	31/3/17 £	1/4/16 £
Cash and cash equivalents	<u>508,876</u>	<u>1,389,357</u>

The notes form part of these financial statements

## LARKBURY GROUP LIMITED

### Notes to the Consolidated Financial Statements for the period 1 April 2017 to 30 September 2018

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#### 1. Statutory information

Larkbury Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

#### 2. Accounting policies

##### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

##### Basis of consolidation

The financial statements consolidate the financial statements of Larkbury Group Limited and all of its subsidiary undertakings ('subsidiaries') as disclosed under note 12.

##### Going concern

The accounts have been prepared on the going concern basis as the directors believe that the group will continue to have access to adequate funding from the shareholders to enable it to continue to operate as a going concern.

##### Turnover

Turnover represents sales net of value added tax, trade discounts and rebates and is recognised at the point of delivery of goods to the customer.

##### Intangible assets

Intangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Website	- 33% on straight line
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##### Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. The freehold property is being recognised at fair value based on period valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to revaluation reserves in shareholders' equity.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% on straight line
Leasehold property improvements	- Over the life of the lease
Plant and machinery	- 20% on straight line
Fixtures and fittings	- 33% on straight line
Motor Vehicles	- 25% on reduced balance

##### Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

##### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Work in progress and manufactured stock include an apportionment of overheads.



Notes to the Consolidated Financial Statements - continued  
for the period 1 April 2017 to 30 September 2018

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2. **Accounting policies - continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Comprehensive Income.

**Finance leases and hire purchase contracts**

Assets obtained under finance leases are capitalised in the balance sheet. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of Comprehensive Income over the relative period. The capital element of the future payments is treated as a liability.

**Operating leases**

Rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to Statement of Comprehensive Income in the period to which they relate.

**Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the group's cash management.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

## LARKBURY GROUP LIMITED

### Notes to the Consolidated Financial Statements - continued for the period 1 April 2017 to 30 September 2018

#### 2. Accounting policies - continued

##### Accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments.

##### Bad debt provision

There is estimation uncertainty in calculating bad debt provisions. Overdue and irrecoverable debtors are monitored during the year. A review of the bad debt provision is carried out at the year-end to ensure debtors that are unlikely to be recovered are put forward for provision. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the ultimate unrealised value of debtors held.

##### Stock provision

There is estimation uncertainty in calculating stock provisions. Slow moving and obsolete stocks are monitored during the year. A review of stock provisions is carried out at the year-end and slow-moving stock without forward sales order cover is identified and put forward for provision. Whilst every attempt is made to ensure that the stock provisions are as accurate as possible, there remains a risk that the provisions do not match the ultimate unrealised value of stock held.

##### Depreciation and amortisation

There is estimation uncertainty in calculating depreciation and amortisation on fixed assets, as they are being written down on a straight line and reducing balance basis over their estimated useful economic life, which may not match their actual useful life.

##### Dilapidation costs of leased premises

The provision for dilapidations represents the current estimated costs of repairs to leased properties required prior to properties being returned at the end of the leases.

#### 3. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
United Kingdom	28,878,817	16,720,939
Europe	725,820	420,252
Rest of the world	<u>2,199,653</u>	<u>1,273,607</u>
	<u>31,804,290</u>	<u>18,414,798</u>

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued**  
for the period 1 April 2017 to 30 September 2018

**4. Employees and directors**

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Wages and salaries	11,285,255	7,556,999
Social security costs	1,225,356	790,317
Other pension costs	115,023	41,264
	<u>12,625,634</u>	<u>8,388,580</u>

The average number of employees during the period was as follows:

	Period 1/4/17 to 30/9/18	Year ended 31/3/17
Management	7	7
Sales	37	33
Manufacturing	117	113
Administration	51	61
	<u>212</u>	<u>214</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 212 (2017 - 214).

**5. Directors' emoluments**

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Directors' remuneration	<u>291,094</u>	<u>128,155</u>

Information regarding the highest paid director for the period ended 30 September 2018 is as follows:

	Period 1/4/17 to 30/9/18 £
Emoluments etc	<u>291,094</u>

The director did not accrue any benefits under the defined contribution pension scheme.

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued**  
for the period 1 April 2017 to 30 September 2018

**6. Operating profit/(loss)**

The operating profit (2017 - operating loss) is stated after charging/(crediting):

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Hire of plant and machinery	59,135	30,593
Other operating leases	1,640,884	1,020,446
Depreciation - owned assets	923,815	564,659
Website development amortisation	5,897	34,484
Foreign exchange differences	(12,241)	10,579
Equity-settled share-based payments expense	-	9,191
Write off of amounts due from group group	-	812,035
Defined contribution plans expense	<u>115,023</u>	<u>41,264</u>

**7. Interest payable and similar expenses**

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Interest on other loans	180,708	804,242
Interest on obligations under finance leases and hire purchase contracts	79,662	39,030
Interest on banks loans and overdrafts	<u>26,403</u>	<u>70,507</u>
	<u>286,773</u>	<u>913,779</u>

**8. Taxation**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the loss for the period was as follows:

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Current tax:		
UK corporation tax	-	(186,788)
Prior year adjustments	<u>13,089</u>	<u>-</u>
Tax on loss	<u>13,089</u>	<u>(186,788)</u>

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued**  
for the period 1 April 2017 to 30 September 2018

**8. Taxation - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/4/17 to 30/9/18 £	Year ended 31/3/17 £
Loss before tax	<u>(279,026)</u>	<u>(1,224,463)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(53,015)	(244,893)
Effects of:		
Expenses not deductible for tax purposes	15,174	28,863
Effect of fixed assets	109,057	(87,624)
Effect of capitalised leases	-	4,904
Write off of group loan	-	33,965
Unrelieved losses carried forward	-	162,407
Utilisation of tax losses brought forward	(71,216)	102,378
Adjustment to prior years	13,089	-
R&D tax claim	<u>-</u>	<u>(186,788)</u>
Total tax charge/(credit)	<u>13,089</u>	<u>(186,788)</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	Tax £	1/4/17 to 30/9/18 Net £
Revaluation on freehold property	<u>2,215,732</u>	<u>(345,599)</u>	<u>1,870,133</u>

**9. Individual statement of comprehensive income**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

LARKBURY GROUP LIMITED

Notes to the Consolidated Financial Statements - continued  
for the period 1 April 2017 to 30 September 2018

10. Intangible fixed assets

Group	Website development £
<b>Cost</b>	
At 1 April 2017	106,280
Additions	67,726
Disposals	<u>(35,337)</u>
At 30 September 2018	<u>138,669</u>
<b>Amortisation</b>	
At 1 April 2017	87,287
Amortisation for period	5,897
Eliminated on disposal	<u>(18,096)</u>
At 30 September 2018	<u>75,088</u>
<b>Net book value</b>	
At 30 September 2018	<u>63,581</u>
At 31 March 2017	<u>18,993</u>

11. Tangible fixed assets

Group	Freehold property £	Leasehold property improvements £	Plant and machinery £
<b>Cost or valuation</b>			
At 1 April 2017	1,034,791	1,199,445	1,130,951
Additions	-	142,169	89,796
Disposals	-	(24,527)	-
Revaluations	<u>2,165,209</u>	-	-
At 30 September 2018	<u>3,200,000</u>	<u>1,317,087</u>	<u>1,220,747</u>
<b>Depreciation</b>			
At 1 April 2017	46,105	206,726	458,949
Charge for period	33,796	184,710	488,095
Revaluation adjustments	<u>(60,771)</u>	-	-
At 30 September 2018	<u>19,130</u>	<u>391,436</u>	<u>947,044</u>
<b>Net book value</b>			
At 30 September 2018	<u>3,180,870</u>	<u>925,651</u>	<u>273,703</u>
At 31 March 2017	<u>988,686</u>	<u>992,719</u>	<u>672,002</u>

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued**  
for the period 1 April 2017 to 30 September 2018

**11. Tangible fixed assets - continued**

**Group**

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>Cost or valuation</b>			
At 1 April 2017	542,444	122,636	4,030,267
Additions	123,714	-	355,679
Disposals	-	-	(24,527)
Revaluations	-	-	2,165,209
At 30 September 2018	<u>666,158</u>	<u>122,636</u>	<u>6,526,628</u>
<b>Depreciation</b>			
At 1 April 2017	257,442	100,990	1,070,212
Charge for period	204,139	13,075	923,815
Revaluation adjustments	-	-	(60,771)
At 30 September 2018	<u>461,581</u>	<u>114,065</u>	<u>1,933,256</u>
<b>Net book value</b>			
At 30 September 2018	<u>204,577</u>	<u>8,571</u>	<u>4,593,372</u>
At 31 March 2017	<u>285,002</u>	<u>21,646</u>	<u>2,960,055</u>

Included within the net book value of plant and machinery is £99,101 (2017: £547,705) relating to assets held under finance lease agreements.

Cost or revaluation at 30 September 2018 is represented by:

	Freehold Property £
Valuations in 2018	2,165,209
Cost	<u>1,034,791</u>
	<u>3,200,000</u>

If the freehold property had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>1,034,791</u>	<u>1,034,791</u>
Aggregate depreciation	<u>60,771</u>	<u>46,105</u>
Value of land in freehold land and buildings	<u>974,020</u>	<u>988,686</u>

The freehold property was valued on an open market basis on 23 January 2017 by an independent commercial property agency.

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the period 1 April 2017 to 30 September 2018**

**12. Fixed asset investments**

**Company**

	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2017	10,000
Additions	<u>3,000,701</u>
At 30 September 2018	<u>3,010,701</u>
<b>Net book value</b>	
At 30 September 2018	<u>3,010,701</u>
At 31 March 2017	<u>10,000</u>

**Subsidiary undertakings**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
The Sofa & Chair Co. Limited	England and Wales	Ordinary	100%
Luxury Furniture Sale Limited	England and Wales	Ordinary	100%
L&C Curtain Company Limited	England and Wales	Ordinary	100%

The aggregate of the share capital and reserves as at 30 September 2018 and profit/(loss) for the period ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit/(loss)</b>
The Sofa & Chair Co. Limited	4,375,595	(275,974)
Luxury Furniture Sale Limited	700	-
L&C Curtain Company Limited	1	-

**13. Stocks**

	Group	
	2018	2017
	£	£
Stocks	4,653,287	4,313,297

**14. Debtors**

	Group	
	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	561,486	270,774
Other debtors	344,389	61,195
Tax	-	237,845
Prepayments and accrued income	<u>427,503</u>	<u>1,048,020</u>
	<u>1,333,378</u>	<u>1,617,834</u>



**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the period 1 April 2017 to 30 September 2018**

**14. Debtors - continued**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts falling due after more than one year:		
Other debtors	<u>936,217</u>	<u>900,000</u>
Aggregate amounts	<u>2,269,595</u>	<u>2,517,834</u>

**15. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 17)	177,573	177,205	-	-
Other loans (see note 17)	1,000,000	-	1,000,000	-
Hire purchase contracts (see note 18)	161,188	230,310	-	-
Payments on account	1,328,197	2,745,703	-	-
Trade creditors	1,780,001	1,287,081	-	-
Amounts owed to group undertakings	-	-	170,524	169,823
Tax	1,887	-	-	-
Social security and other taxes	203,121	848,520	-	-
VAT	396,093	-	-	-
Other creditors	614,299	243,104	-	-
Directors' current accounts	170,097	-	-	-
Accruals and deferred income	<u>922,975</u>	<u>2,460,768</u>	<u>-</u>	<u>-</u>
	<u>6,755,431</u>	<u>7,992,691</u>	<u>1,170,524</u>	<u>169,823</u>

**16. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans (see note 17)	1,847,751	2,138,075	-	-
Other loans (see note 17)	636,912	-	636,912	-
Hire purchase contracts (see note 18)	<u>37,890</u>	<u>332,717</u>	<u>-</u>	<u>-</u>
	<u>2,522,553</u>	<u>2,470,792</u>	<u>636,912</u>	<u>-</u>

Bank liabilities are secured by a debenture in the Barclays Bank standard form dated 18/06/2013 and a floating charge over the property on the banks standard form dated 13/09/2013.

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued**  
for the period 1 April 2017 to 30 September 2018

**17. Loans**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:				
Bank loans	177,573	177,205	-	-
Other loans	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
	<u><b>1,177,573</b></u>	<u><b>177,205</b></u>	<u><b>1,000,000</b></u>	<u><b>-</b></u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>177,573</u>	<u>177,941</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	532,720	532,720	-	-
Other loans - 2-5 years	<u>636,912</u>	<u>-</u>	<u>636,912</u>	<u>-</u>
	<u><b>1,169,632</b></u>	<u><b>532,720</b></u>	<u><b>636,912</b></u>	<u><b>-</b></u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,137,458</u>	<u>1,427,414</u>	<u>-</u>	<u>-</u>

**18. Leasing agreements**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	161,188	230,310
Between one and five years	<u>37,890</u>	<u>332,717</u>
	<u><b>199,078</b></u>	<u><b>563,027</b></u>

**Group**

	<b>Non-cancellable operating leases</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	2,024,686	2,055,268
Between one and five years	3,595,779	5,164,103
In more than five years	<u>7,500,000</u>	<u>8,850,000</u>
	<u><b>13,120,465</b></u>	<u><b>16,069,371</b></u>

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued**  
for the period 1 April 2017 to 30 September 2018

**19. Provisions for liabilities**

	Group	
	2018 £	2017 £
<b>Deferred tax</b>		
Accelerated capital allowances	49,239	49,239
On revaluation of property	<u>345,599</u>	<u>-</u>
	<u>394,838</u>	<u>49,239</u>
 <b>Other provisions</b>	 <u>100,000</u>	 <u>194,720</u>
 <b>Aggregate amounts</b>	 <u>494,838</u>	 <u>243,959</u>
 <b>Group</b>		
	Deferred tax £	Other provisions £
Balance at 1 April 2017	49,239	194,720
Provided during period	345,599	-
Credit to Statement of Comprehensive Income during period	<u>-</u>	<u>(94,720)</u>
 <b>Balance at 30 September 2018</b>	 <u>394,838</u>	 <u>100,000</u>

Other provisions

A dilapidation provision is held for the cost of restoring a leasehold property to an agreed state upon exit.

**20. Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2018 £	2017 £
1,300,000	Ordinary A	£0.01	13,000	6,500
350,000	Ordinary B	£0.01	<u>3,500</u>	<u>3,500</u>
			<u>16,500</u>	<u>10,000</u>

During the period, 650,000 ordinary A shares with nominal value of £0.01, were issued for total consideration of £1,000,000.

This resulted in an increase of £6,500 in share capital and recognition of £993,500 share premium.

Ordinary A and Ordinary B shares rank pari pasu.

**LARKBURY GROUP LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the period 1 April 2017 to 30 September 2018**

**21. Reserves**

<b>Group</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Other reserves £</b>	<b>Totals £</b>
At 1 April 2017	(398,387)	-	-	-	(398,387)
Deficit for the period	(292,115)	-	-	-	(292,115)
Issue of share capital	-	993,500	-	-	993,500
Property revaluation	-	-	2,215,732	-	2,215,732
Deferred tax on revaluation	-	-	(345,599)	-	(345,599)
Issue of convertible debt	-	-	-	379,079	379,079
At 30 September 2018	<u>(690,502)</u>	<u>993,500</u>	<u>1,870,133</u>	<u>379,079</u>	<u>2,552,210</u>

Other reserves relates to the equity element of a convertible loan. See note 24 for more detail about the convertible loan.

**22. Pension commitments**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £115,023 (2017: £41,264) and balance payable at 30 September 2018 was £36,085 (2017: £16,002)

**23. Directors' advances, credits and guarantees**

At 30 September 2018, the balance owed to the directors is £170,097 (2017: £23,549 owed from). No interest was payable on the balance.

**24. Related party disclosures**

During the year, the group purchased goods totalling £1,875,719 (2017: £nil) from a related company, and also loaned this company £236,522. At the year end, an amount of £193,896 (2017: £nil) was owed from this company.

During the year, the group drew down £1,000,000 of a convertible loan and £1,000,000 a loan facility available to them from a company which is under the control of one of the directors. No repayments have been made in the period and no interest is being charged. The equity element of the convertible loan has been accounted for under other reserves, and the loan element is being discounted over five years.