

LINKS FURNITURE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Links Furniture Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Unaudited Financial Statements	<u>3 to 9</u>

Links Furniture Limited

Company Information

Directors	A J Doouss M G Doouss
Registered office	Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX
Accountants	Hazlewoods LLP Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX

Links Furniture Limited**(Registration number: 10686398)****Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	<u>235,619</u>	<u>202,474</u>
Current assets			
Stocks		371,258	306,492
Debtors	<u>5</u>	<u>673,983</u>	<u>656,918</u>
Cash at bank and in hand		<u>648,774</u>	<u>643,272</u>
		1,694,015	1,606,682
Creditors: amounts falling due within one year	<u>6</u>	<u>(913,322)</u>	<u>(863,200)</u>
Net current assets		<u>780,693</u>	<u>743,482</u>
Total assets less current liabilities		1,016,312	945,956
Creditors: Amounts falling due after more than one year	<u>6</u>	<u>(163,085)</u>	<u>(262,500)</u>
Deferred tax liabilities	<u>8</u>	<u>(58,590)</u>	<u>(50,229)</u>
Net assets		<u><u>794,637</u></u>	<u><u>633,227</u></u>
Capital and reserves			
Called up share capital	<u>9</u>	<u>200,000</u>	<u>200,000</u>
Profit and loss account		<u>594,637</u>	<u>433,227</u>
Total equity		<u><u>794,637</u></u>	<u><u>633,227</u></u>

For the financial year ending 31 December 2022 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.

Approved and authorised by the Board on 13 June 2023 and signed on its behalf by:

A J Doouss
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

Links Furniture Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

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

The address of its registered office is:

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

The principal place of business is:

Aspect Gate
1 Old's Approach
Watford
WD18 9RF

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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

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

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Links Furniture Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred corporation tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred corporation tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet 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.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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.

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.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Links Furniture Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Asset class	Depreciation method and rate
Leasehold improvements	2% straight line basis
Plant and machinery	20% straight line basis
Furniture, fittings and equipment	20-33% straight line basis
Motor vehicles	30% reducing balance basis

Trade debtors

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

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. 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 debtors.

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. Trade creditors 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 all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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 expenses.

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

3 Staff numbers

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

	2022	2021
	No.	No.
Average number of employees	<u>17</u>	<u>13</u>

Links Furniture Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

4	Tangible assets				
	Leasehold improvements £	Plant and machinery £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022	66,164	74,814	104,238	40,395	285,611
Additions	-	48,981	12,650	24,245	85,876
At 31 December 2022	66,164	123,795	116,888	64,640	371,487
Depreciation					
At 1 January 2022	1,985	24,951	29,335	26,866	83,137
Charge for the year	1,323	19,755	20,848	10,805	52,731
At 31 December 2022	3,308	44,706	50,183	37,671	135,868
Carrying amount					
At 31 December 2022	62,856	79,089	66,705	26,969	235,619
At 31 December 2021	64,179	49,863	74,903	13,529	202,474

Links Furniture Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

5 Debtors

	2022 £	2021 £
Trade debtors	653,760	630,867
Other debtors	8,613	8,613
Prepayments	11,610	17,438
	<u>673,983</u>	<u>656,918</u>

6 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	7	87,500	87,500
Trade creditors		129,851	194,476
Amounts due to related parties		326,779	124,584
Social security and other taxes		35,295	44,095
Other creditors		345	420
Accrued expenses		213,316	363,431
Corporation tax liability		120,236	48,694
		<u>913,322</u>	<u>863,200</u>
Due after one year			
Loans and borrowings	7	<u>163,085</u>	<u>262,500</u>

7 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	<u>87,500</u>	<u>87,500</u>
Non-current loans and borrowings		
Bank borrowings	<u>163,085</u>	<u>262,500</u>

Bank borrowings

The bank borrowings of the company are secured via fixed and floating charges over the assets of the company. The company's immediate and ultimate parent company has also provided a cross guarantee of the bank borrowings of the company and has provided security in respect of these guarantees by virtue of fixed and floating charges over its assets.

Links Furniture Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

8 Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
The difference between accumulated amortisation, depreciation and capital allowances	58,622
Short term timing differences	(32)
	<u>58,590</u>

	Liability £
2021	
The difference between accumulated amortisation, depreciation and capital allowances	50,274
Short term timing differences	(45)
	<u>50,229</u>

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	200,000	200,000	200,000	200,000

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £124,702 (2021 - £136,092). The company has provided a cross guarantee in respect of the bank borrowings of its immediate and ultimate parent company. The company and has provided security in respect of these guarantees by virtue of fixed and floating charges over its assets.

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.