

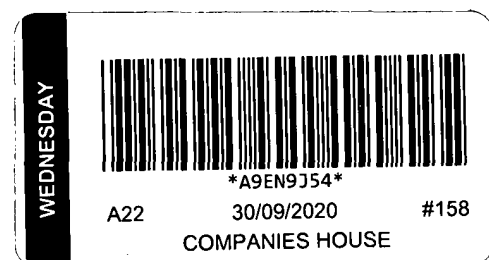
Company Registration No. 10741735 (England and Wales)

# **AUDIENCE UPHOLSTERY LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**PAGES FOR FILING WITH REGISTRAR**



# AUDIENCE UPHOLSTERY LIMITED

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# AUDIENCE UPHOLSTERY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	31 December 2019 £	£	31 March 2018 £	£
<b>Fixed assets</b>					
Tangible assets	3		63,095		68,951
<b>Current assets</b>					
Stocks		24,563		9,902	
Debtors	4	33,609		30,775	
Cash at bank and in hand		130,329		5,398	
		<u>188,501</u>		<u>46,075</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(634,357)</u>		<u>(363,691)</u>	
<b>Net current liabilities</b>			(445,856)		(317,616)
<b>Total assets less current liabilities</b>			<u>(382,761)</u>		<u>(248,665)</u>
<b>Capital and reserves</b>					
Called up share capital			10,000		10,000
Profit and loss reserves			(392,761)		(258,665)
<b>Total equity</b>			<u>(382,761)</u>		<u>(248,665)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24/09/2020 and are signed on its behalf by:



Mr G Pilinger  
Director

Company Registration No. 10741735

**AUDIENCE UPHOLSTERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Company information**

Audience Upholstery Limited is a private company limited by shares incorporated in England and Wales. The registered office is 19B Washington Road, West Wilts Trading Estate, WESTBURY, Wiltshire, BA13 4JP.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

**1.2 Going concern**

At the time of approving the financial statements there is large scale uncertainty with regards to Covid-19 on the global economy. The directors assessed possible future scenarios in their efforts to take all reasonable measures to ensure the business can continue for the foreseeable future.

At the balance sheet date the company had net current liabilities of £445,856 (31 December 2018 - £317,616) and net liabilities of £382,761 (31 December 2018 - £248,665).

Based on the steps taken by the company and the continuing support of its parent company, in the directors' opinion it is reasonable and appropriate to continue preparing the accounts on the going concern basis.

**1.3 Reporting period**

In the prior period the company changed the accounting period to align the year end with the rest of the group, resulting in a shorter period of 9 months to 31 December 2018. Therefore, the comparative amounts presented in the financial statements are not entirely comparable.

**1.4 Turnover**

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

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

**1.5 Tangible fixed assets**

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

# AUDIENCE UPHOLSTERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

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

Leasehold improvements	Over the remaining life of the lease
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance

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

#### 1.6 Impairment of fixed assets

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

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

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

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

#### 1.7 Stocks

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

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

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

# AUDIENCE UPHOLSTERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### 1.8 Cash and cash equivalents

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

##### 1.9 Financial instruments

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

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

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

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

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

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

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

##### **Basic financial liabilities**

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

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

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

##### 1.10 Equity instruments

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

# AUDIENCE UPHOLSTERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

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

#### 1.13 Leases

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

#### 1.14 Foreign exchange

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

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2018 - 13).

# AUDIENCE UPHOLSTERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2019	36,678	37,647	11,037	85,362
Additions	1,360	1,445	7,726	10,531
At 31 December 2019	38,038	39,092	18,763	95,893
<b>Depreciation and impairment</b>				
At 1 January 2019	3,581	10,464	2,365	16,410
Depreciation charged in the year	6,860	6,873	2,655	16,388
At 31 December 2019	10,441	17,337	5,020	32,798
<b>Carrying amount</b>				
At 31 December 2019	27,597	21,755	13,743	63,095
At 31 December 2018	33,097	27,184	8,670	68,951

### 4 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	60	-
Unpaid share capital	3,000	3,000
Other debtors	-	16,243
Prepayments and accrued income	30,549	11,532
	33,609	30,775

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

	2019 £	2018 £
Trade creditors	43,201	42,549
Amounts owed to group undertakings	563,312	301,250
Taxation and social security	3,454	2,637
Other creditors	24,390	17,255
	634,357	363,691



# AUDIENCE UPHOLSTERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Andrew Moore BA FCA.

The auditor was Old Mill Audit LLP.

### 7 Operating lease commitments

#### Lessee

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

2019	2018
£	£
73,500	103,500
<u>73,500</u>	<u>103,500</u>

### 8 Related party transactions

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019	2018
	£	£
Entities with control, joint control or significant influence over the company	563,312	301,250
	<u>563,312</u>	<u>301,250</u>

The financial statements of the company are consolidated in the financial statements of Audience Systems Limited. These consolidated financial statements are available from its registered office, 19B Washington Road, West Wilts Trading Estate, Westbury, Wiltshire, BA13 4JP.