

CHORUS FURNITURE LIMITED
UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



CHORUS FURNITURE LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CHORUS FURNITURE LIMITED FOR THE YEAR ENDED 30 JUNE 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Chorus Furniture Limited for the year ended 30 June 2017 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the Company 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 Chorus Furniture Limited, as a body, in accordance with the terms of our engagement letter dated 31 August 2012. Our work has been undertaken solely to prepare for your approval the financial statements of Chorus Furniture Limited and state those matters that we have agreed to state to the Board of Directors of Chorus Furniture Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chorus Furniture Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Chorus Furniture Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Chorus Furniture Limited. You consider that Chorus Furniture Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Chorus Furniture 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 financial statements.



Warrenner Stewart

Chartered Accountants

Harwood House
43 Harwood Road
London
SW6 4QP

7 February 2018

CHORUS FURNITURE LIMITED
REGISTERED NUMBER:07734310

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	72,858	104,244
Tangible assets	5	1,803	3,320
		<u>74,661</u>	<u>107,564</u>
Current assets			
Stocks		100,792	116,304
Debtors: amounts falling due within one year	6	187,510	240,628
Cash at bank		14,302	105,542
		<u>302,604</u>	<u>462,474</u>
Creditors: amounts falling due within one year	7	(550,322)	(708,513)
Net current liabilities		<u>(247,718)</u>	<u>(246,039)</u>
Total assets less current liabilities		<u>(173,057)</u>	<u>(138,475)</u>
Creditors: amounts falling due after more than one year	8	-	(17,060)
Net liabilities		<u>(173,057)</u>	<u>(155,535)</u>
Capital and reserves			
Allotted, called up and fully paid share capital		100	100
Profit and loss account		(173,157)	(155,635)
		<u>(173,057)</u>	<u>(155,535)</u>

CHORUS FURNITURE LIMITED
REGISTERED NUMBER:07734310

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 February 2018.

B S Wright
Director



The notes on pages 4 to 10 form part of these financial statements.

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

Chorus Furniture Limited is incorporated and domiciled in England and Wales. The registered office is Unit 5 Minden Road, Sutton, SM3 9BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company made a loss after taxation for the year ended 30 June 2017 of £17,522 (2016: £50,766) resulting in an increase in the balance sheet deficit to £173,057 (2016: £155,535) at the year end. However, of that deficit £212,423 represents liabilities payable to group undertakings who have confirmed that they do not intend to seek repayment until the company has surplus and sufficient funds.

The directors expect the company to return to profitability in the year ended 30 June 2018. The group undertakings will continue their financial support for the foreseeable future such that the company is able to meet its ongoing liabilities as and when they fall due.

In the light of this and after taking into account all information that could reasonably be expected to be available, the directors are satisfied that the company will continue in operational existence for the foreseeable future, and that the going concern basis is appropriate for the preparation of the company's financial statements.

2.3 Revenue

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

Sale of goods

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

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

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.4 Development costs

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Comprehensive Income.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.9 Pensions

The company contributes to the private personal plan of a director. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Comprehensive Income.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 3).

4. Intangible assets

	Development costs £
Cost	
At 1 July 2016	185,675
Additions	8,434
At 30 June 2017	<u>194,109</u>
Amortisation	
At 1 July 2016	81,431
Charge for the year	39,820
At 30 June 2017	<u>121,251</u>
Net book value	
At 30 June 2017	<u><u>72,858</u></u>
At 30 June 2016	<u><u>104,244</u></u>

Development costs are being amortised over 5 years commencing from the date of the first sale of the product the costs relate to.

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 July 2016	7,587
At 30 June 2017	7,587
Depreciation	
At 1 July 2016	4,267
Charge for the year on owned assets	1,517
At 30 June 2017	5,784
Net book value	
At 30 June 2017	1,803
At 30 June 2016	3,320

6. Debtors

	2017 £	2016 £
Trade debtors	94,386	125,935
Other debtors	-	47,770
Prepayments and accrued income	90,006	66,923
Deferred taxation	3,118	-
	187,510	240,628

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	17,060	39,583
Trade creditors	127,795	76,989
Amounts owed to group undertakings	212,423	239,310
Amounts owed to related undertakings	76,086	296,499
Other taxation and social security	12,002	-
Accruals and deferred income	104,956	56,132
	<u>550,322</u>	<u>708,513</u>

The bank loan is secured by a fixed and floating charge over all of the assets of the company together with an unlimited guarantee granted by New Design Group Limited (the parent company) and a guarantee, limited to £155,000, granted by New Design Furniture Limited, a related company.

8. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	-	17,060
	<u>-</u>	<u>17,060</u>

Secured loans

The bank loan is secured by a fixed and floating charge over all of the assets of the company together with an unlimited guarantee granted by New Design Group Limited (the parent company) and a guarantee, limited to £155,000, granted by New Design Furniture Limited, a related company.

9. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	17,060	39,583
Amounts falling due 2-5 years		
Bank loans	-	17,060
	<u>17,060</u>	<u>56,643</u>

CHORUS FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10. Deferred taxation

	2017 £
Charged to profit or loss	3,118
At end of year	<u>3,118</u>

The deferred tax asset is made up as follows:

	2017 £
Accelerated capital allowances	(324)
Tax losses carried forward	3,442
	<u>3,118</u>

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.