

Company Registration No. 02493927

Dovetail Contract Furniture Limited

Annual Report and Financial Statements

31 December 2016

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Dovetail Contract Furniture Limited
Company Registration No. 02493927

Annual Report and financial statements 2016

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Dovetail Contract Furniture Limited

Company Registration No. 02493927

Report and financial statements 2016

Officers and professional advisers

Directors

S Fitch (resigned 22nd April 2016)

S Moore

Company Secretary

WPP Group (Nominees) Ltd

Registered Office

East Studio Riverside Walk

Sea Containers

18 Upper Ground

London

SE1 9PD

Bankers

HSBC Plc

62 George White Street

Cabot Circus

Bristol

BS1 3BA

Solicitors

Hammonds Suddards Edge

7 Devonshire Square

Cutlers Garden

London

EC2M 4YH

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

Dovetail Contract Furniture Limited

Company Registration No. 02493927

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is the supply and installation of office furniture.

Review of the business

Dovetail had a very challenging trading period in 2016. Following a very satisfactory performance in 2015 a challenging and very competitive market landscape resulted in a large drop in gross margin and profit performance.

Given the challenging marketplace and diminishing pipeline, the management team made the very difficult decision to withdraw from the supply of contract furniture to clients and cease taking any new orders from the end of April 2016.

Since this decision was made Dovetail have only been delivering existing orders and meeting contractual obligations. As a consequence sales fell 32% from £5,453,106 to £4,115,219 and gross profit dropped by 55%.

Going concern

The financial statements have been prepared on a basis other than going concern following the decision to cease trading on 31st December 2017. The company will cease operations in 2018 after all outstanding balances have been settled.

Financial risk management objectives and policies

The main risks faced by the Company through its normal business activities are liquidity risk and currency risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company is reliant on funding from its parent company, WPP PLC.

Currency risk

The Company does not have substantial currency exposures although some exposures arise from transactions in currencies other than the Company's functional currency.

Results and Dividends

The company made a loss before taxation of £13,702 (2015: profit £78,821). No dividends were paid during the year ended 31 December 2016 (2015: £nil).

Directors

The directors, who served throughout the year except as noted below, were as follows:

1. Mr Simon Moore
2. Mr Steve Fitch (resigned 22nd of April 2016)

Small Company exemption

The Director has taken advantage of the small companies' exemption provided by section 414B of the Companies Act 2006 not to provide a strategic report and taken advantage of exemptions in preparing this Director's Report.

Dovetail Contract Furniture Limited
Company Registration No. 02493927

Directors' report (continued)

Disclosure of information to the auditor

As required by Section 418 (2) of the Companies Act, 2006, the person who is a director at the date of approval of this Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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 Company's auditor is aware of that information.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting pursuant to s487 of the Companies Act 2006.



Approved by the Board of Directors
and signed on behalf of the Board S Moore

Director

15/9/2017

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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), including FRS 101 "Reduced Disclosure Framework". 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 of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report to the members of
Dovetail Contract Furniture Limited**
Company Registration No. 02493927

We have audited the financial statements of Dovetail Contract Furniture Limited for the year ended 31st December 2016 which comprise the Profit and Loss, Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Standard 101 'Reduced Disclosure Framework'.

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 an auditor's report 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st December 2016 and of its 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.

EMPHASIS OF MATTER – FINANCIAL STATEMENTS PREPARED OTHER THAN ON A GOING CONCERN BASIS

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

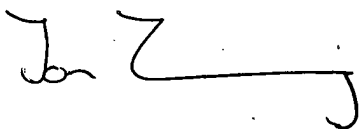
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**Independent auditor's report to the members of
Dovetail Contract Furniture Limited (continued)**
Company Registration No. 02493927

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Jon Young (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
15 September 2017

Dovetail Contract Furniture Limited
Company Registration No. 02493927

Profit and loss account
31 December 2016

	Notes	2016 £	2015 £
Turnover	1, 2	4,115,259	5,453,106
Cost of sales		<u>(3,760,716)</u>	<u>(4,658,036)</u>
Gross profit		354,543	795,070
Operating expenses	4	<u>(358,120)</u>	<u>(715,219)</u>
Operating (loss)/profit	5	(3,577)	79,851
Interest payable and similar expense	6	<u>(10,125)</u>	<u>(1,030)</u>
(Loss)/profit on before taxation		(13,702)	78,821
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
(Loss)/profit after taxation and for the financial year	13	<u><u>(13,702)</u></u>	<u><u>78,821</u></u>

The accompanying notes (1 to 19) form an integral part of this profit and loss account.

All results relate to continuing activities.

There are no recognised gains or losses in either year other than the loss for the year. Consequently, no statement of total recognised gains and losses is presented.

Dovetail Contract Furniture Limited
Company Registration No. 02493927

Balance sheet
31 December 20166

	Notes	2016 £	2015 £
Current assets			
Work in progress	9	-	271,933
Debtors	10	120,498	4,667,842
Cash at bank and in hand		222,760	-
		<u>343,259</u>	<u>4,927,775</u>
Creditors: amounts falling due within one year	11	<u>(75,783)</u>	<u>(4,658,597)</u>
Net current assets		<u>267,476</u>	<u>281,178</u>
Total assets less current liabilities		<u>267,476</u>	<u>281,178</u>
Net assets		<u>267,476</u>	<u>281,178</u>
Capital and reserves			
Called up share capital	12	62,200	62,200
Share premium account	14	399,900	399,900
Profit and loss account	13	<u>(194,624)</u>	<u>(180,922)</u>
Shareholders' funds	15	<u>267,476</u>	<u>281,178</u>

The accompanying notes form an integral part of this balance sheet.

The financial statements of Dovetail Contract Furniture Limited, company no. 02493927, were approved by the board and authorised for issue on 15 September 2017. They were signed on its behalf by



S Moore
Director

Dovetail Contract Furniture Limited

Company Registration No. 02493927

Notes to the Financial statements

Year ended 31 December 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year ended 31 December 2016.

Basis of preparation

Dovetail Contract Furniture Limited is a private company limited by shares incorporated in the United Kingdom and registered in England under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out on page 2.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, the equivalent disclosures are given in the group accounts of WPP plc whose consolidated financial statements include those of the Company and are publicly available and can be obtained as set out in note 18.

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a basis other than going concern following the decision to cease trading on 31st December 2017. The company will cease operations in 2018 after all outstanding balances have been settled.

Work in progress

Work in progress comprises costs incurred on behalf of clients. Cost includes outlays incurred on behalf of clients and an appropriate proportion of direct costs on incomplete assignments. Provision is made for irrecoverable costs where appropriate. Net realisable value is based on estimated normal invoice value less costs expected to be incurred on completion.

Intangible assets: Goodwill

Goodwill arising on acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, and businesses purchased is capitalised in the year in which it arises.

The goodwill is reviewed for impairment at the end of each reporting period and provision is made for any impairment.

Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) 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 where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the Financial statements
Year ended 31 December 2016

1. Accounting policies (continued)

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Turnover is recognised when the service is performed, in accordance with the terms of the contractual arrangement

Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

Pension costs

For defined contribution schemes the amount capitalised in the asset under construction in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

2. Critical accounting judgements and key sources of estimation uncertainty

Useful lives of property, plant and equipment

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the director determined that there should be no changes in the useful lives of property, plant and equipment.

3. Turnover

Turnover relates to the supply and installation of office furniture and fittings within the United Kingdom.

4. Operating expenses

	2016 £	2015 £
Selling expenses	187,949	513,415
Customer services and administration	170,171	201,804
	<u>358,120</u>	<u>715,219</u>

5. Operating (Loss)/Profit

Operating loss is stated after charging:

	2016 £	2015 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>16,650</u>	<u>16,300</u>

There were no fees payable to Deloitte LLP and their associates for non-audit services to the company.

Notes to the Financial statements
Year ended 31 December 2016

6. Interest payable

	2016 £	2015 £
Bank interest payable	10,125	1,030

7. Staff costs

Particulars of staff costs (including executive directors) are shown below:

	2016 £	2015 £
Wages and salaries	142,982	392,443
Social security costs	20,359	38,504
Other pension costs	1,691	3,250
	<u>165,032</u>	<u>434,197</u>

The average monthly number of employees (including executive directors) that worked for the Company during the year was as follows:

	2016 No.	2015 No.
Sales	4	8

The remuneration of the directors was as follows:

Directors' Remuneration

The Company was charged £50,362 (2015: £64,649) by a group Company for the services of the director, S Moore.

Pensions

The Company has established a Group Personal Pension Scheme which provides participating employees with personal pension plans. All staff are eligible to join this scheme after six months service which requires employee and employer contributions of equal amounts. Contributions to all schemes are charged against the Company's profits in the period for which the contributions are made.

The pension costs for the period were £1,691 (2015: £3,250). There were outstanding contributions at 31 December 2016 of £nil (2015: £nil).

Notes to the Financial statements
Year ended 31 December 2016

8. Tax on (Loss)/profit

Analysis of tax charge on ordinary activities

	2016 £	2015 £
<i>Current taxation</i>		
UK Corporation tax at 20% (2015: 20.5%)	-	-

Factors affecting the tax charge for the current year

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2015: 20.25%). The tax assessed for the current year differs from that resulting from applying the standard rate of corporation tax, for the reasons set out in the following reconciliation.

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(13,702)	78,821
Tax at 20% (2015: 20.25%)	(2,740)	15,961
<i>Effects of:</i>		
Expenses not deductible for tax purposes	696	1,355
Depreciation in excess of capital allowances		
Adjustments to tax charge in respect of group relief surrendered for £nil consideration	2,044	(17,316)
Current tax for the year	-	-

Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to depreciation in excess of capital allowances, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £51,337 (2015: £16,658). The deferred tax asset has not been recognised as there is considered to be insufficient evidence of its reversal in future periods.

9. Stocks and work in progress

	2016 £	2015 £
Work in progress	-	271,933

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Notes to the Financial statements
Year ended 31 December 2016

10. Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	115,284	891,184
Amounts owed by group undertakings	-	3,773,328
Other debtors including taxation	5,215	2,289
Prepayments and accrued income	-	1,041
	<u>120,498</u>	<u>4,667,842</u>

11. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank overdraft	-	421,923
Trade creditors	-	1,775,403
Amounts owed to group undertakings	7,346	22,885
Other creditors including taxation and social security	10,963	505,750
Accruals and deferred income	57,473	1,932,636
	<u>75,783</u>	<u>4,658,597</u>

12. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid:		
62,200 ordinary shares of £1 each	<u>62,200</u>	<u>62,200</u>

13. Profit and loss account

	2016 £	2015 £
At the beginning of the year	(180,922)	(259,743)
Retained (loss)/profit for the financial year	<u>(13,702)</u>	<u>78,821</u>
At the end of the year	<u>(194,624)</u>	<u>(180,922)</u>

Notes to the Financial statements
Year ended 31 December 2016

14. Share premium account

	2016 £	2015 £
At the beginning or end of the year	<u>399,900</u>	<u>399,900</u>

15. Reconciliation of movement in shareholders' funds deficit

	2016 £	2015 £
Opening shareholders' funds	281,178	202,357
(Loss)/Profit for the financial year	<u>(13,702)</u>	<u>78,821</u>
Closing shareholders' funds	<u>267,476</u>	<u>281,178</u>

16. Guarantees and other financial commitments

Financial guarantees

The Company participates in group banking arrangements with its parent, WPP Group plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its United Kingdom cash deposits with its clearing bank.

Capital commitments

At the end of the year, there were £nil capital commitments (2015: £nil).

Operating leases

At 31 December 2016, the Company had no annual commitments under non-cancellable operating leases (2015: £nil).

17. Related party transactions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions. Where required, equivalent disclosures are given in the group accounts of WPP plc, which are publicly available.

18. Ultimate parent Company and controlling party

The directors regard WPP 2005 Limited, a Company incorporated in The United Kingdom, as the immediate parent Company and WPP plc, a Company incorporated in Jersey, as the ultimate parent Company and the ultimate controlling party.

At the year end the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is WPP plc, registered in Jersey.

The parent undertaking of the smallest such group is Lexington International B.V., registered in the Netherlands.

Copies of the financial statements of WPP plc are available at www.wppinvestor.com.

Copies of the financial statements of Lexington International B.V. can be obtained from Wilhelminaplein 10, 3072 DE Rotterdam, Netherlands or 27 Farm Street, London, W1J 5RJ, UK.

Notes to the Financial statements
Year ended 31 December 2016

19. Transitioning from old UK GAAP to FRS 101

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2016 the Company has changed its accounting framework from pre-2016 UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As a consequence of adopting FRS 101, no transitional adjustments are required.