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Cover Chair Limited
Unaudited Financial Statements
For the year ended 30th June 2006

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Cover Chair Limited
Financial Statements
For the year ended 30th June 2006

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Cover Chair Limited
Company Information

The board of directors	J Young N Blair
Company secretary	J Young
Registered office	5, Wigmore Street, London, W1U 1HY
Accountants	Benjamin, Taylor & Co , Chartered Accountants 5, Wigmore Street, London W1U 1HY
Bankers	National Westminster Bank Plc , 169, Victoria Street, London, SW1E 5BT

Cover Chair Limited
The Directors' Report
For the year ended 30th June 2006

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th June 2006

Principal Activities

The principal activity of the company continued to be that of the supply of chair coverings

Results and Dividends

The profit for the year, after taxation, amounted to £19,618 Particulars of dividends paid are detailed in note 4 to the financial statements

The Directors and their Interests in the Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 30 June 2006	At 1 July 2005
J Young	100	100
N Blair	-	-

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed by order of the directors



J Young
Company Secretary

Approved by the directors on 2nd April 2007

Cover Chair Limited
Profit and Loss Account
For the year ended 30th June 2006

	Note	2006 £	2005 £
Turnover		126,576	120,323
Cost of sales		(29,418)	(38,567)
Gross Profit		<u>97,158</u>	<u>81,756</u>
Administrative expenses		(75,034)	(59,388)
Operating Profit	2	<u>22,124</u>	<u>22,368</u>
Interest receivable		2,107	1,341
Profit on Ordinary Activities Before Taxation		<u>24,231</u>	<u>23,709</u>
Tax on profit on ordinary activities	3	(4,613)	(3,458)
Profit for the Financial Year		<u><u>19,618</u></u>	<u><u>20,251</u></u>

The notes on pages 5 to 8 form part of these financial statements

Cover Chair Limited

Balance Sheet

As at 30th June 2006

	Note	2006 £	£	2005 £	£
Fixed Assets					
Tangible assets	5		10,250		15,860
Current Assets					
Stocks	6	11,437		12,539	
Debtors	7	25,625		36,080	
Cash at bank and in hand		95,704		57,418	
		<u>132,766</u>		<u>106,037</u>	
Creditors: Amounts Falling due Within One Year	8	<u>22,759</u>		<u>11,258</u>	
Net Current Assets			110,007		94,779
Total Assets Less Current Liabilities			<u>120,257</u>		<u>110,639</u>
Capital and Reserves					
Called-up equity share capital	10		100		100
Profit and loss account	11		120,157		110,539
Shareholders' Funds			<u>120,257</u>		<u>110,639</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 2nd April 2007 and are signed on their behalf by

J Young



N Blair



The notes on pages 5 to 8 form part of these financial statements

Cover Chair Limited
Notes to the Financial Statements
For the year ended 30th June 2006

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed Assets

All fixed assets are initially recorded at cost

Depreciation

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

Leasehold Property	-	straight line over the period of the lease
Motor Vehicles	-	25% on cost
Equipment	-	20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Cover Chair Limited
Notes to the Financial Statements
For the year ended 30th June 2006

1. Accounting Policies *(continued)*

Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

2. Operating Profit

Operating profit is stated after charging/(crediting)

	2006 £	2005 £
Directors' emoluments	21,661	11,661
Depreciation of owned fixed assets	5,610	5,610
Profit on disposal of fixed assets	—	(2,400)
	<u> </u>	<u> </u>

3. Taxation on Ordinary Activities

	2006 £	2005 £
Current tax		
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	4,613	3,458
Total current tax	<u>£4,613</u>	<u>£3,458</u>

Cover Chair Limited
Notes to the Financial Statements
For the year ended 30th June 2006

4 Dividends

Equity dividends

	2006 £	2005 £
Paid		
Equity dividends on ordinary shares	<u>10,000</u>	<u>—</u>

5 Tangible Fixed Assets

	Leasehold Property £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1st July 2005 and 30th June 2006	<u>4,500</u>	<u>20,500</u>	<u>4,132</u>	<u>29,132</u>
Depreciation				
At 1st July 2005	4,500	5,125	3,647	13,272
Charge for the year	<u>—</u>	<u>5,125</u>	<u>485</u>	<u>5,610</u>
At 30th June 2006	<u>4,500</u>	<u>10,250</u>	<u>4,132</u>	<u>18,882</u>
Net Book Value				
At 30th June 2006	<u>—</u>	<u>10,250</u>	<u>—</u>	<u>10,250</u>
At 30th June 2005	<u>—</u>	<u>15,375</u>	<u>485</u>	<u>15,860</u>

6. Stocks

	2006 £	2005 £
Finished goods	<u>11,437</u>	<u>12,539</u>

7. Debtors

	2006 £	2005 £
Trade debtors	18,253	29,106
VAT recoverable	737	—
Other debtors	2,170	2,170
Directors current accounts	720	—
Prepayments and accrued income	<u>3,745</u>	<u>4,804</u>
	<u>£25,625</u>	<u>£36,080</u>

Cover Chair Limited
Notes to the Financial Statements
For the year ended 30th June 2006

8. Creditors: Amounts Falling due Within One Year

	2006		2005	
	£	£	£	£
Other creditors including taxation and social security				
Corporation tax	4,613		3,458	
PAYE and social security	4,545		1,171	
VAT	–		935	
Directors current accounts	–		2,018	
Other creditors	–		60	
Accruals and deferred income	13,601		3,616	
		<u>£22,759</u>		<u>£11,258</u>

9 Related Party Transactions

At 30th June 2006, J Young a director and majority shareholder owed the company £720 (2005 £2,018 owed by the company) The loan is interest free and repayable on demand

10. Share Capital

Authorised share capital:

	2006	2005
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. Profit and Loss Account

	2006	2005
	£	£
Balance brought forward	110,539	90,288
Profit for the financial year	19,618	20,251
Equity dividends paid	(10,000)	–
Balance carried forward	<u>£120,157</u>	<u>£110,539</u>

12. Controlling Parties

The controlling party is J Young who owns 100% of the issued share capital of the company