

Company Number 2725982

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**Cover Chair Limited**  
**Financial Statements**  
**For the year ended 30th June 2003**

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**Cover Chair Limited**  
**Financial Statements**  
**For the year ended 30th June 2003**

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**Cover Chair Limited**  
**Company Information**

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<b>The board of directors</b>	J. Young N. Blair
<b>Company secretary</b>	J. Young
<b>Registered office</b>	5, Wigmore Street, London, W1U 1HY.
<b>Registered number</b>	2725982
<b>Accountants</b>	Benjamin, Taylor & Co., Chartered Accountants 5, Wigmore Street, London W1U 1HY.
<b>Bankers</b>	National Westminster Bank Plc., 169, Victoria Street, London, SW1E 5BT.

**Cover Chair Limited**  
**The Directors' Report**  
**For the year ended 30th June 2003**

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The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th June 2003.

**Principal Activities**

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

**The Directors and their Interests in 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 2003	At 1 July 2002
J. Young	99	99
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 27th February 2004

**Cover Chair Limited**  
**Profit and Loss Account**  
**For the year ended 30th June 2003**

	Note	2003 £	2002 £
<b>Turnover</b>		136,989	132,596
Cost of sales		(53,225)	(62,381)
<b>Gross Profit</b>		83,764	70,215
Administrative expenses		(56,802)	(62,038)
<b>Operating Profit</b>	<b>2</b>	26,962	8,177
Interest receivable and similar income		44	—
Interest payable		—	(1)
<b>Profit on Ordinary Activities Before Taxation</b>		27,006	8,176
Tax on profit on ordinary activities	<b>3</b>	(5,096)	(2,239)
<b>Profit on Ordinary Activities after Taxation</b>		21,910	5,937
Dividends	<b>4</b>	(10,000)	—
<b>Retained Profit for the Financial Year</b>		11,910	5,937
Balance brought forward		59,140	53,203
Balance carried forward		71,050	59,140

*The notes on page 3 form part of these financial statements.*

**Cover Chair Limited**  
**Balance Sheet**  
**As at 30th June 2003**

	Note	2003 £	£	2002 £	£
<b>Fixed Assets</b>					
Tangible assets	5		1,555		5,780
<b>Current Assets</b>					
Stocks	6	12,989		18,184	
Debtors	7	37,301		30,890	
Cash at bank and in hand		43,972		12,924	
		<u>94,262</u>		<u>61,998</u>	
<b>Creditors: Amounts Falling due Within One Year</b>	8	<u>24,667</u>		<u>8,538</u>	
<b>Net Current Assets</b>			69,595		53,460
<b>Total Assets Less Current Liabilities</b>			<u>71,150</u>		<u>59,240</u>
<b>Capital and Reserves</b>					
Called-up equity share capital	10		100		100
Profit and loss account			71,050		59,140
<b>Shareholders' Funds</b>			<u>71,150</u>		<u>59,240</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 June 2002).

These financial statements were approved by the directors on the 27th February 2004 and are signed on their behalf by:

J. Young



N. Blair



*The notes on page 4 form part of these financial statements.*

**Cover Chair Limited**  
**Notes to the Financial Statements**  
**For the year ended 30th June 2003**

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**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 June 2002).

**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 2003**

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**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.

**2. Operating Profit**

Operating profit is stated after charging:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	11,661	11,661
Depreciation of owned fixed assets	<u>4,225</u>	<u>6,916</u>

**3. Tax on Profit on Ordinary Activities**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	<u>5,096</u>	<u>2,239</u>
Total current tax	<u>£5,096</u>	<u>£2,239</u>

**Cover Chair Limited**  
**Notes to the Financial Statements**  
**For the year ended 30th June 2003**

**4. Dividends**

The following dividends have been proposed in respect of the year:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Proposed dividend on ordinary shares	<u>10,000</u>	<u>—</u>

**5. Tangible Fixed Assets**

	<b>Leasehold Property £</b>	<b>Motor Vehicles £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1st July 2002 and 30th June 2003	<u>4,500</u>	<u>18,820</u>	<u>4,132</u>	<u>27,452</u>
<b>Depreciation</b>				
At 1st July 2002	3,625	16,075	1,972	21,672
Charge for the year	<u>875</u>	<u>2,645</u>	<u>705</u>	<u>4,225</u>
At 30th June 2003	<u>4,500</u>	<u>18,720</u>	<u>2,677</u>	<u>25,897</u>
<b>Net Book Value</b>				
At 30th June 2003	<u>—</u>	<u>100</u>	<u>1,455</u>	<u>1,555</u>
At 30th June 2002	<u>875</u>	<u>2,745</u>	<u>2,160</u>	<u>5,780</u>

**6. Stocks**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Goods for hire	<u>12,989</u>	<u>18,184</u>

**7. Debtors**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade debtors	31,970	25,984
VAT recoverable	243	—
Other debtors	2,170	1,881
Prepayments and accrued income	<u>2,918</u>	<u>3,025</u>
	<u>£37,301</u>	<u>£30,890</u>

**Cover Chair Limited**  
**Notes to the Financial Statements**  
**For the year ended 30th June 2003**

**8. Creditors: Amounts Falling due Within One Year**

	2003		2002	
	£	£	£	£
Other creditors including taxation and social security:				
Corporation tax	5,096		2,239	
PAYE and social security	2,373		1,116	
VAT	—		626	
Dividends payable	10,000		—	
Directors current accounts	593		593	
Other creditors	786		—	
Accruals and deferred income	5,819		3,964	
		<u>£24,667</u>		<u>£8,538</u>

**9. Related Party Transactions**

At 30th June 2003, the company owes £593 (2002: £593) to J.Young, a director and majority shareholder. The loan is interest free and repayable on demand.

**10. Share Capital**

**Authorised share capital:**

	2003	2002
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid:**

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**11. Controlling Parties**

The controlling party is J.Young who owns 99% of the issued share capital of the company.