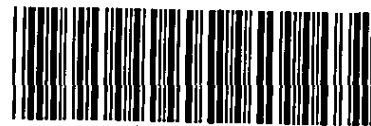


COLLINS AND HAYES FURNITURE LIMITED

Registration number 06238369

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COLLINS AND HAYES FURNITURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and audited financial statements for the year ended 31 March 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Statement of disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he 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 auditors are aware of that information.

Principal activities and review of the business

The principal activity of the company is that of the manufacture of upholstered furniture.

Both the level of business and the year end financial position were as expected in the light of current trading conditions.

The company made a loss before tax of £378,512 (2012 £225,783 loss) for the year on a turnover of £8,769,452 (2012 £9,300,740).

At 31 March 2013 the company had net liabilities of £314,172 (Net assets at 31 March 2012 - £51,752).

In the opinion of the directors there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

COLLINS AND HAYES FURNITURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Loss and Dividend

The loss for the year and appropriation thereof are set out in the profit and loss account on page 5

Directors

The directors who served during the year or the date of their appointment were

A Lisanti

T Dallaway

M Huggins

T Featherstone was appointed on 1 April 2012

J Deeprise was appointed on 27 November 2012

D Backler resigned as a director on 31 December 2012

Subsequent to the year end R Dempster was appointed a director on 1 April 2013

Ultimate holding company

The company's ultimate holding company is Airsprung Group PLC The company's immediate holding company is Airsprung Furniture Limited

Creditor payment policy

The company's current policy concerning the payment of its creditors is to

- settle the terms of payment with its suppliers,
- ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts,
- pay in accordance with its established contractual and other legal obligations once satisfactory performance of services or receipt of goods is achieved

The company's creditor days figure calculated is 40 days (2012 41 days)

Employee Involvement

The directors recognise the need to keep employees informed about the Company's performance and progress, provide information on matters of concern to them, and to consult as appropriate Bonus schemes and other incentives have been developed to enable employees to benefit more directly from their performance

Disabled employees

The Company's employment policy takes account of the special care necessary to identify aptitudes, abilities and training needs of disabled employees and applicants so they may be effectively utilised to mutual benefit within the Company

Principal risks and uncertainties

The company's financial risk management objectives are detailed in note 23 of the financial statements This includes details of the company's exposure to interest rates, credit risk and currency risk

Economic conditions

The Group sells its products primarily to the retail sector and as such its performance is inevitably linked to the strength of its retail customers who in turn have a high dependence on consumer spending levels Consumer spending is predominantly driven by the general health of the underlying economic conditions prevailing at any time and either its real impact on consumers or their personal confidence in relation to their ability to purchase what are generally discretionary goods

COLLINS AND HAYES FURNITURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Operating efficiencies

Operational efficiencies, particularly in the company's volume businesses, are critical to maintaining margins and hence overall company profitability. This area of the business is highly dependent on employing experienced and appropriately educated and trained management who bring to the company significant operational skills. Targeted investment in plant, equipment and logistics are imperative in maintaining high levels of customer service, demanded by all retailers but must provide the company with acceptable returns on those investments. The opportunity to maximise the tangible and human assets across the company continues to suggest further profitable benefits in this area.

Major customers

The company recognises that in some of its businesses there is a high level of reliance on relatively few customers that are providing the majority of demand. This situation to a great extent reflects the growth of the national multiple retailers at the expense of the traditional Independent retailer that has been witnessed in many market sectors. The benefits to the company of being key suppliers to these large retailers are many but include distribution efficiencies, purchasing benefits, manufacturing efficiencies and to date surety of payment. The major retailers enjoy the benefits of working with a smaller number of larger suppliers giving rise to administration benefits and purchasing leverage.

Reliance on key suppliers

The company is not over exposed to any one key supplier even though for purchasing leverage purposes there are preferred suppliers who provide the majority of certain materials. In all cases, there are second tier suppliers who at relatively short notice are able to supply materials in the event of a preferred supplier failing to do so.

The company's businesses take advantage of competitively priced materials from both UK and overseas but retain the ability to manufacture many of the key materials in-house thus balancing risk to financial benefit.

Going concern

The company's working capital requirements are met by cash generated from operating activities supported by a group overdraft facility of £1.25 million. The facility, which is secured on a proportion of the company's property, is reviewed annually and no matters have been raised by the company's bankers to suggest that renewal may not be forthcoming on acceptable terms.

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook and, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

On behalf of the board



A. Lisanti
Director

16 December 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLINS AND HAYES FURNITURE LIMITED

We have audited the financial statements of Collins and Hayes Furniture Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 1 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year 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.

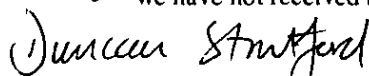
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.



Duncan Stratford (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street, Bristol, UK, BS1 5QD
19 December 2013

COLLINS AND HAYES FURNITURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Year to 31.3.13 £	Year to 31.3.12 £
Turnover	2	8,769,452	9,300,740
Change in stock of finished goods and work in progress		6,389	1,718
		<hr/>	<hr/>
		8,775,841	9,302,458
Other operating income		54,735	61,397
		<hr/>	<hr/>
		8,830,576	9,363,855
Raw materials		(3,449,817)	(3,565,667)
Staff costs	5	(3,048,507)	(3,201,900)
Depreciation		(59,753)	(113,381)
Other operating charges		(2,603,488)	(2,620,796)
		<hr/>	<hr/>
Operating loss	3	(330,989)	(137,889)
Other interest receivable and similar income	6	3,608	2,418
Interest payable and similar charges	7	(47,361)	(52,134)
		<hr/>	<hr/>
Loss on ordinary activities before exceptional costs and taxation		(374,742)	(187,605)
Exceptional costs		(3,770)	(38,178)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(378,512)	(225,783)
Tax on loss on ordinary activities	8	12,588	50,572
		<hr/>	<hr/>
Loss for the financial year	17	(365,924)	(175,211)
		<hr/>	<hr/>

There is no material difference between the loss before tax on ordinary activities and the loss for the financial year and their historical cost equivalents for the year stated above. The company has no recognised gains and losses, other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

COLLINS AND HAYES FURNITURE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	£	31.3.13 £	31 3 12 £
Fixed assets				
Tangible assets	9		221,343	184,748
Current assets				
Stocks	10	1,012,880		1,045,954
Debtors	11	1,165,238		1,372,121
Cash at bank and in hand		123,411		5,026
		<u>2,301,529</u>	<u>2,423,101</u>	
Creditors: amounts falling due within one year	12	(2,373,500)	(2,109,779)	
		<u></u>	<u></u>	
Net current assets			(71,971)	313,322
Total assets less current liabilities			<u>149,372</u>	<u>498,070</u>
Creditors: amounts falling due after more than one year	13		(463,544)	(446,318)
Deferred tax liabilities	14		-	-
			<u></u>	<u></u>
Net (liabilities)/assets			<u>(314,172)</u>	<u>51,752</u>
Capital and reserves				
Called up share capital	16		10,000	10,000
Profit and loss account	17		(324,172)	41,752
			<u></u>	<u></u>
Total shareholders' (deficit) / funds	18		<u>(314,172)</u>	<u>51,752</u>

The Financial Statements were approved by the directors on 16 December 2013 and signed on its behalf by

T Dallaway

Director

Company number 06238369

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and have been applied consistently throughout the year

1.2 Revenue recognition

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold improvements	10 years Straight line
Plant and machinery	3 – 10 years Straight line
Fixtures, fittings & equipment	3 – 10 years Straight line
Motor vehicles	4 – 5 years Straight line

1.5 Leasing

Assets held under finance leases and hire purchase contracts are treated as if they had been purchased outright at the present value of the rentals payable, less finance charges, over the primary period of the agreements. The corresponding obligations under these agreements are included in creditors. The finance element of the rentals payable is charged to the profit and loss account so as to produce a constant rate of charge on the outstanding balance in each period.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.6 Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value using the first in first out valuation method after making allowance for obsolete and slow moving stocks. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Financial Statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 9 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account

1.10 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Airsprung Group PLC and is included in the consolidated financial statements of Airsprung Group PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) "Cash flow Statements". The company is also exempt under the terms of FRS 8 "Related party disclosures" from disclosing related-party transactions with entities that are part of the Airsprung Group PLC group or investees of the Airsprung Group PLC group

2 Turnover

Geographical market

	31.3.13 £	31.3.12 £
United Kingdom	8,259,014	8,722,138
Europe	510,438	578,602
	<u>8,769,452</u>	<u>9,300,740</u>

3 Operating loss

	31.3.13 £	31.3.12 £
Operating loss is stated after charging		
Depreciation of owned tangible fixed assets	35,929	93,273
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	23,824	20,108
Research and development	19,753	38,738
Operating lease rentals		
- Plant and machinery	20,274	13,051
- Other assets	289,174	287,954
Auditors' remuneration for -		
Fees payable to the company's auditors for the audit of the company's annual financial statements	13,000	13,000
Non Audit services	3,500	3,500
	<u></u>	<u></u>

4 Directors' emoluments

	31.3.13 £	31.3.12 £
Emoluments for qualifying services	213,559	215,947
Company pension contributions to money purchase schemes	35,964	35,684
	<u>249,523</u>	<u>251,631</u>

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2012 – 1)

Emoluments disclosed above include the following amounts paid to the highest paid director

	31.3.13	31.3.12
	£	£
Emoluments for qualifying services	103,889	114,529
Company pension contributions to money purchase schemes	35,964	35,684
	<u>139,853</u>	<u>150,213</u>

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	31.3.13	31.3.12
	Number	Number
Manufacture	97	104
Selling and distribution	36	36
Administration	9	8
	<u>142</u>	<u>148</u>

Staff costs

	31.3.13	31.3.12
	£	£
Wages and salaries	2,776,202	2,908,452
Social security costs	236,341	257,764
Other pension costs	35,964	35,684
	<u>3,048,507</u>	<u>3,201,900</u>

6 Other interest receivable and similar income

	31.3.13	31.3.12
	£	£
Interest receivable	232	139
Profit on disposal of tangible fixed assets	3,376	2,279
	<u>3,608</u>	<u>2,418</u>

7 Interest payable and similar charges

	31.3.13	31.3.12
	£	£
On bank loans and overdrafts	14,233	18,685
On loans repayable after five years	31,112	31,115
Lease finance charges	2,016	2,334
	<u>47,361</u>	<u>52,134</u>

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

8 Tax on loss on ordinary activities	31.3.13	31.3.12
	£	£
Current year tax		
U K corporation tax	(3,588)	(46,572)
Current tax charge	(3,588)	(46,572)
Deferred tax		
Deferred tax charge	(9,000)	(4,000)
	(12,588)	(50,572)
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(378,512)	(225,783)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2012 – 26%)	(90,843)	(58,703)
Effects of		
Non deductible expenses	9,556	10,467
Difference to 24% (2012-26%) rate	-	(1,658)
Depreciation in excess of capital allowances	4,067	19,487
Other timing differences	6,266	(593)
Group relief surrendered for nil consideration	70,954	-
Prior year adjustment	(3,588)	(15,572)
	87,255	12,131
Current tax charge	(3,588)	(46,572)

Factors that may affect future tax charges

As a result of the change in the UK main corporation tax rate from 24% to 23% that was substantively enacted on 3 July 2012 and that is effective from 1 April 2013, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the March 2013 budget. The changes, which were substantively enacted on 2 July 2013, reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. As the changes had not been substantively enacted at the balance sheet date, they are not recognised in the financial statements.

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9 Tangible fixed assets

	Land and buildings Leasehold Improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2012	25,767	352,527	65,275	186,710	630,279
Additions	35,958	3,526		56,864	96,348
Disposals				(20,242)	(20,242)
At 31 March 2013	61,725	356,053	65,275	223,332	706,385
Accumulated depreciation					
At 1 April 2012	11,625	317,963	43,471	72,472	445,531
On disposals				(20,242)	(20,242)
Charge for the year	2,451	7,909	10,550	38,843	59,753
At 31 March 2013	14,076	325,872	54,021	91,073	485,042
Net book value					
At 31 March 2013	47,649	30,181	11,254	132,259	221,343
At 31 March 2012	14,142	34,564	21,804	114,238	184,748

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £130,477 (2012 - £109,143) in respect of assets held under finance leases or hire purchase contracts

10 Stocks	31.3.13	31 3.12
	£	£
Raw materials and consumables	424,270	463,733
Work in progress	112,843	110,409
Finished goods and goods for resale	475,767	471,812
	<u>1,012,880</u>	<u>1,045,954</u>

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

11 Debtors	31.3.13	31.3.12
	£	£
Trade debtors	971,318	1,164,681
Other debtors	2,864	2,580
Prepayments and accrued income	146,469	157,288
Corporation tax	34,587	46,572
Deferred tax	10,000	1,000
	<u>1,165,238</u>	<u>1,372,121</u>

12 Creditors amounts falling due within one year	31.3.13	31.3.12
	£	£
Bank overdrafts	1,121,877	699,880
Net obligations under finance leases	32,024	37,300
Trade creditors	587,588	540,208
Other taxation and social security costs	141,732	234,116
Other creditors	6,417	7,203
Accruals and deferred income	430,955	536,499
Amounts owed to parent company and fellow subsidiaries	52,907	54,573
	<u>2,373,500</u>	<u>2,109,779</u>

The bank loans are secured by a debenture over all assets of the company

The hire purchase creditor is secured on the asset to which it relates

13 Creditors: amounts falling due after more than one year	31.3.13	31.3.12
	£	£
Preference shares	390,000	390,000
Net obligations under finance leases	73,544	56,318
	<u>463,544</u>	<u>446,318</u>
Net obligations under finance leases		
Repayable within one year	32,024	37,300
Repayable between one and five years	73,544	56,318
	<u>105,568</u>	<u>93,618</u>
Included in liabilities falling due within one year	(32,024)	(37,300)
	<u>73,544</u>	<u>56,318</u>

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

14 Deferred tax liability/(asset)

	Deferred tax liability/(asset) 31.3.13 £	Deferred tax liability/(asset) 31.3.12 £
Balance at 1 April	(1,000)	3,000
Profit and loss account	(9,000)	(4,000)
Balance at 31 March	<u>(10,000)</u>	<u>(1,000)</u>

The deferred tax liability/(asset) is made up as follows:

Deferred tax is calculated at 24% (2012- 24%) analysed over the following timing differences

	31.3.13 £	31.3.12 £
Accelerated capital allowances	-	3,000
Losses	(4,000)	-
Other timing differences	(6,000)	(4,000)
	<u>(10,000)</u>	<u>(1,000)</u>

15 Pensions

The company made or has made payments to defined contribution pension schemes for certain employees and 1 director. The assets of this scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to these funds and amounted to £35,964 (2012: £35,684).

16 Called up share capital

	31.3.13 £	31.3.12 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

The preference shares have been included as debt within creditors due after more than one year since in some circumstances the preference shareholders have the right to demand their redemption.

17 Profit and loss account

	Profit and loss account £
Balance at 1 April 2012	41,752
Loss for the financial year	(365,924)
Balance at 31 March 2013	<u>(324,172)</u>

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

18 Reconciliation of movements in shareholders' (deficit)/funds	31.3.13	31.3.12
	£	£
Loss for the financial year	(365,924)	(175,211)
Opening shareholders' funds	51,752	226,963
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(314,172)	51,752
	<hr/>	<hr/>

19 Contingent liabilities

The company has given an unlimited guarantee in respect of the bank overdraft of its parent and fellow subsidiary companies

The company has given guarantees in respect of bank loans to its parent company. The contingent liability at 31 March 2013 was £1,250,000 (2012 £1,250,000). The company has indemnified Svenska Handelsbanken in respect of indemnities and guarantees given by the bank on its behalf.

20 Analysis of net debt	1 April 2012	Cash flow	31 March 2013
	£	£	£
Net cash			
Cash at bank and in hand	5,026	118,385	123,411
Debt			
Finance leases and hire purchase	(93,618)	(11,950)	(105,568)
Bank overdraft	(699,880)	(421,997)	(1,121,877)
Preference shares	(390,000)	-	(390,000)
	<hr/>	<hr/>	<hr/>
Net debt	(1,178,472)	(315,562)	(1,494,034)
	<hr/>	<hr/>	<hr/>

21 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013

	Land and buildings		Other	
	31.3.13	31.3.12	31.3.13	31.3.12
	£	£	£	£
Operating leases which expire				
Within one year	-	-	1,241	831
Between two and five years	68,000	68,000	21,228	1,389
In over five years	220,064	220,064	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	288,064	288,064	22,469	2,220
	<hr/>	<hr/>	<hr/>	<hr/>

COLLINS AND HAYES FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

22 Ultimate holding company

The Company is a 100% subsidiary of Airsprung Furniture Limited and is the immediate parent undertaking. Airsprung Furniture Limited is a wholly owned subsidiary of Airsprung Group plc which is the ultimate controlling party and is the smallest and largest group to consolidate the company's financial statements. Airsprung Group indirectly owns 100% of the issued share capital of the company and is registered in England and Wales and is the ultimate holding company. Copies of the Airsprung Group PLC's financial statements may be obtained from Companies House.

23 Financial Instruments

The company's financial instruments comprise borrowings, cash and various items that arise directly from its operations. The company's operations are funded by cash generated from operating activities. There is no gearing at the year end. The risks arising from the company's financial instruments are interest rate risk, foreign currency risk and credit risk.

The interest rate on all borrowings is fixed. As the company predominantly trades in sterling, exposure to foreign currency risk is minimal. Foreign currency transactions are settled at the daily spot rate. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history. The fair value of foreign exchange forward contracts in place at the yearend date was £nil (2012: nil).