

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FOR**  
**ALPHA DESIGNS UPHOLSTERY LIMITED**

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**For The Year Ended 31 DECEMBER 2022**

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**ALPHA DESIGNS UPHOLSTERY LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31 DECEMBER 2022**

**DIRECTORS:** Miss C A Floate  
Mr C H Xydias

**SECRETARY:** Mr C H Xydias

**REGISTERED OFFICE:** Unit 1 Stag Industrial Estate  
Oxford Street  
Bilston  
West Midlands  
WV14 7HZ

**REGISTERED NUMBER:** 06770930 (England and Wales)

**AUDITORS:** AGK Partners  
Chartered Accountants & Statutory Auditors  
1 Kings Avenue  
London  
N21 3NA

**STRATEGIC REPORT**  
**For The Year Ended 31 DECEMBER 2022**

The directors present their strategic report for the year ended 31 December 2022.

**REVIEW OF BUSINESS**

The turnover of the year under review was £22,055,078 compared with £18,312,589 in the previous year. Increase in turnover was due to market conditions and loosening of Covid-19 pandemic restrictions. Profit before tax has gone down to £427,164 compared to £522,163 in the previous year due to inflationary pressures in the supply chain.

**FUTURE DEVELOPMENTS**

In the coming year, the directors will continue to invest in design and manufacturing technology, through R&D, marketing and staff training to gain a competitive advantage over competitors and reduce costs.

**KEY PERFORMANCE INDICATORS**

The Directors consider the following as key performance indicators:

	2022	2021
	£	£
Turnover	22,055,078	18,312,589
Gross Profit	2,618,982	1,954,576
Gross Margin	11.87%	10.67%
Profit before tax	427,164	522,163
Net Assets	1,403,325	1,162,817

**ON BEHALF OF THE BOARD:**

Mr C H Xydias - Director

27 December 2023

**REPORT OF THE DIRECTORS**  
**For The Year Ended 31 DECEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of furniture manufacturer.

**DIVIDENDS**

An interim dividend of 480 per share was paid during the year ended on 31 December 2022. The directors recommend that no final dividend be paid. The total distribution of dividends for the year ended 31 December 2022 will be £48,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Miss C A Floate  
Mr C H Xydhias

**REPORT OF THE DIRECTORS**  
**For The Year Ended 31 DECEMBER 2022**

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

a. Though the UK is slowly recovering from COVID -19 pandemic and the Government lifted all COVID restrictions, the Coronavirus ( COVID-19 ) pandemic continues to have a significant impact on the global economy. The Company continues to evaluate the long term impact of COVID-19 on its business operations, as there remain uncertainties at this time. The Company has a resilient business model in place and is focusing on several measures for preservation of cash flows and cost optimization including availing of various government relief schemes. The directors have determined there is no material impact on the financial statements and will continue to assess the situation. The directors will proactively respond to the situation and take further actions that are in the best interest of all stakeholders. It will continue to be well supported through this crisis period by its shareholders and investors.

**The Ongoing Russia - Ukraine conflict**

b. This ongoing Russia - Ukraine conflict has resulted in going concern becoming a significant risk. The United States and Europe have avoided direct military conflict with Russia amid its conflict with Ukraine. They have however used a set of financial sanctions to limit Russia's access to financial resources. The impact of the sanctions may result in difficulties for the company to operate. Neither the Company nor the owners are currently on the sanctions list at the time of this report, however this may change as the situation changes.

c. Financial risk management objectives and policies of the company including the policy for hedging each major type of forecasted transaction for which hedge accounting is used; and

d. The exposure of the company to price risk, credit risk, liquidity risk and cash flow risk; unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

**Financial risk factors**

The Company is exposed to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(i) Credit risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

**(ii) Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimising such losses as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

**Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

Borrowings issues at variable rates expose the Company to cash flow interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

**Sensitivity analysis**

Any increase/(decrease) in interest rates will have a small effect on results and equity of the Company, because all financial instruments are fixed rate or pegged to LIBOR/EURIBOR with fixed margin. Strengthening or weakening against the relevant currency, there would be an equal and opposite impact on the profit/loss and other equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

**Currency risk**

**REPORT OF THE DIRECTORS**  
**For The Year Ended 31 DECEMBER 2022**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the American Dollar, the Euro and Singapore dollar. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**Employees**

It is the policy of the Company's to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created. The Board is committed to a systematic training policy and has a comprehensive training and development potential to a maximum level of attainment. In this way, staff will make their best possible contribution to the organisation's success. The Company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability. It is also the policy of the Company, where possible, to give sympathetic consideration to disabled persons in their application for employment with the Company and to protect the interests of existing members of the staff who are disabled.

The company has made the necessary provision for allowing employees to work remotely and be connected to the company intranet.

**Environmental Policy**

The Board acknowledges that environmental protection is one of the Company's business responsibilities. It aims for a continuous improvement in the Company's environmental performance and to comply with all relevant regulations. Also the Board does not consider that this line of business has a large adverse impact upon the environment. As a result the company does not manage its business by reference to any environmental key performance indicators. The company seeks to maintain a high proportion of its records electronically and of the paper it does use, over 80% of its paper consumption is recycled through the use of recycling bags.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
For The Year Ended 31 DECEMBER 2022**

**AUDITORS**

The auditors, AGK Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr C H Xydhias - Director

27 December 2023



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF** **ALPHA DESIGNS UPHOLSTERY LIMITED**

### **Opinion**

We have audited the financial statements of Alpha Designs Upholstery Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF** **ALPHA DESIGNS UPHOLSTERY LIMITED**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Other matters which we are required to address**

As disclosed in note 21 to the financial statements, the comparative figures in these financial statements are unaudited. Our opinion is not modified with respect to that matter.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ALPHA DESIGNS UPHOLSTERY LIMITED**

**Use of our report**

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 a Report of the Auditors 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.

Alekos Christofi (Senior Statutory Auditor)  
for and on behalf of AGK Partners  
Chartered Accountants & Statutory Auditors  
1 Kings Avenue  
London  
N21 3NA

27 December 2023

**INCOME STATEMENT**  
**For The Year Ended 31 DECEMBER 2022**

		2022	2021 (Unaudited)
	Notes	£	£
<b>REVENUE</b>		22,055,078	18,312,589
Cost of sales		<u>19,436,096</u>	<u>16,358,013</u>
<b>GROSS PROFIT</b>		2,618,982	1,954,576
Administrative expenses		<u>2,196,155</u>	<u>1,569,919</u>
		422,827	384,657
Other operating income		<u>21,762</u>	<u>145,875</u>
<b>OPERATING PROFIT</b>	4	444,589	530,532
Interest payable and similar expenses	5	<u>17,425</u>	<u>8,369</u>
<b>PROFIT BEFORE TAXATION</b>		427,164	522,163
Tax on profit	6	<u>138,656</u>	<u>122,650</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>288,508</u></u>	<u><u>399,513</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME**  
**For The Year Ended 31 DECEMBER 2022**

	2022	2021 (Unaudited)
Notes	£	£
PROFIT FOR THE YEAR	288,508	399,513
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>288,508</u>	<u>399,513</u>

**STATEMENT OF FINANCIAL POSITION**

**31 DECEMBER 2022**

		2022	2021
			(Unaudited)
	Notes	£	£
<b>FIXED ASSETS</b>			
Property, plant and equipment	8	1,024,907	1,075,302
<b>CURRENT ASSETS</b>			
Inventories	9	2,013,278	1,590,050
Debtors	10	3,667,763	3,444,993
Cash at bank and in hand		371,134	304,623
		<u>6,052,175</u>	<u>5,339,666</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>5,150,583</u>	<u>4,491,011</u>
<b>NET CURRENT ASSETS</b>		<u>901,592</u>	<u>848,655</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,926,499</u>	<u>1,923,957</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(280,368)	(561,614)
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(242,806)</u>	<u>(199,526)</u>
<b>NET ASSETS</b>		<u><u>1,403,325</u></u>	<u><u>1,162,817</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100	100
Retained earnings	18	<u>1,403,225</u>	<u>1,162,717</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>1,403,325</u></u>	<u><u>1,162,817</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 December 2023 and were signed on its behalf by:

Mr C H Xydhias - Director

Miss C A Floate - Director

**STATEMENT OF CHANGES IN EQUITY**  
**For The Year Ended 31 DECEMBER 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	100	811,204	811,304
<b>Changes in equity</b>			
Dividends	-	(48,000)	(48,000)
Total comprehensive income	-	399,513	399,513
<b>Balance at 31 December 2021</b>	<u>100</u>	<u>1,162,717</u>	<u>1,162,817</u>
<b>Changes in equity</b>			
Dividends	-	(48,000)	(48,000)
Total comprehensive income	-	288,508	288,508
<b>Balance at 31 December 2022</b>	<u>100</u>	<u>1,403,225</u>	<u>1,403,325</u>

**STATEMENT OF CASH FLOWS**  
**For The Year Ended 31 DECEMBER 2022**

		2022	2021
			(Unaudited)
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	495,033	78,453
Interest paid		(10,841)	(7,558)
Interest element of hire purchase payments paid		(6,584)	(811)
Tax paid		218	-
Net cash from operating activities		<u>477,826</u>	<u>70,084</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(186,349)</u>	<u>(359,408)</u>
Net cash from investing activities		<u>(186,349)</u>	<u>(359,408)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		21,280	15,082
Amount withdrawn by directors		(198,246)	-
Share issue		-	100
Equity dividends paid		<u>(48,000)</u>	<u>(48,000)</u>
Net cash from financing activities		<u>(224,966)</u>	<u>(32,818)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>66,511</u>	<u>(322,142)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	304,623	626,765
<b>Cash and cash equivalents at end of year</b>	2	<u>371,134</u>	<u>304,623</u>

The notes form part of these financial statements



**NOTES TO THE STATEMENT OF CASH FLOWS**  
**For The Year Ended 31 DECEMBER 2022**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021 (Unaudited)
	£	£
Profit before taxation	427,164	522,163
Depreciation charges	236,743	208,266
Government grants	(17,350)	(145,875)
Finance costs	17,425	8,369
	<u>663,982</u>	<u>592,923</u>
Increase in inventories	(423,228)	(1,590,050)
Increase in trade and other debtors	(223,394)	(3,444,993)
Increase in trade and other creditors	477,673	4,520,573
<b>Cash generated from operations</b>	<u>495,033</u>	<u>78,453</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2022**

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>371,134</u>	<u>304,623</u>

**Year ended 31 December 2021**

	31.12.21 (Unaudited)	1.1.21
	£	£
Cash and cash equivalents	<u>304,623</u>	<u>626,765</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.22 £	Cash flow £	At 31.12.22 £
<b>Net cash</b>			
Cash at bank and in hand	<u>304,623</u>	<u>66,511</u>	<u>371,134</u>
	<u>304,623</u>	<u>66,511</u>	<u>371,134</u>
<b>Debt</b>			
Finance leases	(15,082)	(21,280)	(36,362)
Debts falling due within 1 year	(100,000)	700	(99,300)
Debts falling due after 1 year	<u>(358,333)</u>	<u>100,000</u>	<u>(258,333)</u>
	<u>(473,415)</u>	<u>79,420</u>	<u>(393,995)</u>
<b>Total</b>	<u>(168,792)</u>	<u>145,931</u>	<u>(22,861)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 DECEMBER 2022**

**1. STATUTORY INFORMATION**

Alpha Designs Upholstery Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Significant judgements and estimates**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant judgements or estimates involved in the preparation of the financial statements.

**Revenue**

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and costs incurred or to be incurred in respect of the transaction can be measured reliably

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the assets capable of operating as intended.

The carrying value of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Short leasehold land and buildings	- 20% on straight line
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

The company has adopted the policy of not depreciating the assets in the first year, however full depreciation is provided in the year of disposal.

**Inventories**

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of inventory sold is recognised as an expense in the period in which the related revenue is recognised.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**2. ACCOUNTING POLICIES - continued**

**Cash and cash equivalent**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Cash and cash equivalent**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand, short term deposits with an original maturity date of one month. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Going Concern**

At the time approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have confirmed that they would provide financial support to the company to enable it to meet its financial obligations as they fall due. The going concern basis of accounting in preparing the financial statements of the company is therefore considered appropriate by the directors.

**Going concern consideration**

The Company tested the financial impact on the following areas of financial statements that can be affected:

- Breach of trade contracts,
- Revenue,
- Administrative expenses,
- Current and non-current assets fair value measurements,
- Trade and other receivables and payables.

**Subsequent events**

There have not been any significant events since the balance sheet date. There were no essential either adjusting events or non-adjusting events in the period of time elapsing between the balance sheet date and the date on which these financial statements are prepared. The directors and parent company have also confirmed that the business will continue to be a going concern for the foreseeable future and they will support the company.

The Ongoing Russia - Ukraine conflict

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**2. ACCOUNTING POLICIES - continued**

This ongoing Russia - Ukraine conflict has resulted in going concern becoming a significant risk. The United States and Europe have avoided direct military conflict with Russia amid its conflict with Ukraine. They have however used a set of financial sanctions to limit Russia's access to financial resources. The impact of the sanctions may result in difficulties for the company to operate. Neither the Company nor the owners are currently on the sanctions list at the time of this report, however this may change as the situation changes.

**Government grants**

Government grants are recognized when it is reasonable to expect that the grants will be received and that all related conditions are met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grant of a revenue nature are credited to profit and loss so as to match them with the expenditure to which they related.

**3. EMPLOYEES AND DIRECTORS**

	2022	2021 (Unaudited)
	£	£
Wages and salaries	6,185,132	5,200,214
Social security costs	564,460	434,044
Other pension costs	136,813	105,407
	<u>6,886,405</u>	<u>5,739,665</u>

The average number of employees during the year was as follows:

	2022	2021 (Unaudited)
	<u>218</u>	<u>218</u>
	2022	2021 (Unaudited)
	£	£
Directors' remuneration	<u>24,000</u>	<u>24,000</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2022	2021 (Unaudited)
	£	£
Hire of plant and machinery	63,837	59,278
Other operating leases	290,477	248,156
Depreciation - owned assets	236,744	208,266
Auditors' remuneration	6,000	-
Foreign exchange differences	<u>(3,447)</u>	<u>11,518</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021 (Unaudited)
	£	£
Interest - bank	10,841	7,558
Hire purchase	6,584	811
	<u>17,425</u>	<u>8,369</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021 (Unaudited)
	£	£
Current tax:		
UK corporation tax	95,376	16,424
Deferred tax	43,280	106,226
Tax on profit	<u>138,656</u>	<u>122,650</u>

**7. DIVIDENDS**

	2022	2021 (Unaudited)
	£	£
Ordinary shares of 1 each		
Interim	<u>48,000</u>	<u>48,000</u>

**8. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2022	57,074	975,857	423,681	73,455	1,530,067
Additions	15,007	100,037	31,427	39,878	186,349
At 31 December 2022	<u>72,081</u>	<u>1,075,894</u>	<u>455,108</u>	<u>113,333</u>	<u>1,716,416</u>
<b>DEPRECIATION</b>					
At 1 January 2022	36,211	323,070	65,586	29,898	454,765
Charge for year	8,945	163,196	53,714	10,889	236,744
At 31 December 2022	<u>45,156</u>	<u>486,266</u>	<u>119,300</u>	<u>40,787</u>	<u>691,509</u>
<b>NET BOOK VALUE</b>					
At 31 December 2022	<u>26,925</u>	<u>589,628</u>	<u>335,808</u>	<u>72,546</u>	<u>1,024,907</u>
At 31 December 2021	<u>20,863</u>	<u>652,787</u>	<u>358,095</u>	<u>43,557</u>	<u>1,075,302</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
Additions	39,878
At 31 December 2022	<u>39,878</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>39,878</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**9. INVENTORIES**

	2022	2021 (Unaudited)
	£	£
Stocks	<u>2,013,278</u>	<u>1,590,050</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021 (Unaudited)
	£	£
Trade debtors	2,882,716	3,186,508
Other debtors	651,901	185,270
Prepayments	<u>133,146</u>	<u>73,215</u>
	<u>3,667,763</u>	<u>3,444,993</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021 (Unaudited)
	£	£
Bank loans and overdrafts (see note 13)	99,300	100,000
Hire purchase contracts (see note 14)	18,008	10,047
Trade creditors	3,903,809	3,384,310
Tax	112,018	16,424
Social security and other taxes	270,886	359,732
Pension fund	28,996	26,232
VAT	634,022	562,026
Other creditors	7,101	16,092
Accrued expenses	<u>76,443</u>	<u>16,148</u>
	<u>5,150,583</u>	<u>4,491,011</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021 (Unaudited)
	£	£
Bank loans (see note 13)	258,333	358,333
Hire purchase contracts (see note 14)	18,354	5,035
Directors' loan accounts	<u>3,681</u>	<u>198,246</u>
	<u>280,368</u>	<u>561,614</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021 (Unaudited)
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>99,300</u>	<u>100,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>258,333</u>	<u>358,333</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**14. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2022	2021 (Unaudited)
	£	£
Net obligations repayable:		
Within one year	18,008	10,047
Between one and five years	<u>18,354</u>	<u>5,035</u>
	<u>36,362</u>	<u>15,082</u>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021 (Unaudited)
	£	£
CBILS Loan	<u>358,333</u>	<u>458,333</u>

The CBILS loan is secured by way of a negative pledge, fixed charge and floating charge over all the property or undertaking of the company.

**16. PROVISIONS FOR LIABILITIES**

	2022	2021 (Unaudited)
	£	£
Deferred tax	<u>242,806</u>	<u>199,526</u>
		Deferred tax
		£
Balance at 1 January 2022		199,526
Provided during year		<u>43,280</u>
Balance at 31 December 2022		<u>242,806</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

**18. RESERVES**

	Retained earnings £
At 1 January 2022	1,162,717
Profit for the year	288,508
Dividends	<u>(48,000)</u>
At 31 December 2022	<u>1,403,225</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 DECEMBER 2022**

**19. RELATED PARTY DISCLOSURES**

Included in trade debtors, is an amount totalling £2,226,390 (2021: £1,745,793) due from a connected company with common control.

Included in other debtors due within one year is an amount of £512,503 (2021: £258,485) due from a connected company with common control. The loan is interest free and repayable on demand.

Included in other creditors due after one year is an amount of £3,681 (2021: £32,240 ) due to the directors of the company. The loan is interest free and repayable on demand.

**20. ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties are Charlotte Ann Floate and Constantino Harry Xydias.

**21. COMPARATIVES**

The comparative figures in the financial statements are unaudited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.