

Registered number
02452728

Global Upholstery Solutions Limited

Filleted Accounts

31 December 2019

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Global Upholstery Solutions Limited
Registered number: 02452728
Abridged Balance Sheet
as at 31 December 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Intangible assets	4	-	87
Tangible assets	5	601	355
		<u>601</u>	<u>442</u>
Current assets			
Stocks		241	132
Debtors	7	109	200
Cash at bank and in hand		30	43
		<u>380</u>	<u>375</u>
Creditors: amounts falling due within one year		(2,517)	(1,957)
Net current liabilities		(2,137)	(1,582)
Net liabilities		<u>(1,536)</u>	<u>(1,140)</u>
Capital and reserves			
Called up share capital		927	927
Profit and loss account		(2,463)	(2,067)
Shareholders' funds		<u>(1,536)</u>	<u>(1,140)</u>

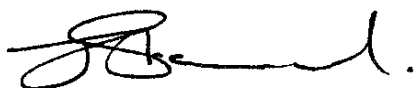
For the year ending 31 December 2019, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and its members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts, which give a true and fair view of the state of affairs of the Company as of 31 December 2019 and of its loss for the year, in accordance with the requirements of Section 394 and 395 of the Act and which otherwise comply with the requirement of the Companies House 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The directors of the company have elected not to include a copy of the profit and loss account with the financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006



J N Stannah
Director

Approved by the board on 27 November 2020

Global Upholstery Solutions Limited
Notes to the Abridged Accounts
for the year ended 31 December 2019

1 General information

The principal activity of the company is sale and manufacture of upholstered products.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Watt Close, East Portway, Andover, Hampshire, SP10 3SD.

2 Accounting policies

Statement of compliance

The company financial statements of Global Upholstery Solutions Limited have been prepared in compliance with United Kingdom Accounting Standards, including Section 1A of FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006. Unless stated otherwise, accounting policies have been applied consistently throughout the year.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

Going Concern

These financial statements are prepared on a going concern basis which assumes that the company will continue to trade. The basis of this assumptions depends on the support of the parent company Stannah Lifts Holdings Limited. The parent company has indicated that it intends to provide funds as necessary for the company to trade for the foreseeable future.

The directors have considered the consequences of COVID-19 and other events and conditions, including detailed forecasts to December 2021 taking into account reasonable expectations of the continued impact of COVID-19 based on the experience of the last 6 months, current government guidance and the emerging circumstances which the group operates.

As at 31 December 2019, the Stannah group has net assets of £124m and cash of £31m. In preparing their forecasts, the directors have considered a range of scenarios, including a worst case protracted period of enforced lockdown throughout 2021. In all scenarios the group has sufficient resources to continue as a going concern and accordingly the directors have prepared the financial statements on this basis.

Turnover

Turnover represents the value of goods supplied by the company, net of Value Added Tax and trade discounts. Income is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Global Upholstery Solutions Limited
Notes to the Abridged Accounts
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2 Accounting policies (continued)

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

a) Short-term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is rendered.

b) Defined contribution pension plan

The company participates in a group pension scheme, the assets and liabilities of which are held independently from the group. The cost of the scheme is charged to the Income statement in the period in which it is incurred. The assets of the plan are held separately from the company in independently administered funds.

c) Other long-term employee benefits

Long term benefits include additional holiday, long service awards and retirement gifts, provisions are made to ensure the company can meet any obligations as they fall due.

Business combinations

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed, and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated into goodwill. Where the value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill

Goodwill arising on consolidation represents the excess of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is included in the balance sheet and amortised over five years on a straight line basis. This is the directors' estimate of its useful economic life based on product replacement cycles. Goodwill is subject to an impairment review if events or changes in circumstances indicate that the goodwill may be impaired.

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. The rates used are as follows:

Software 14% - 33%

Amortisation is charged to operating expenses in the income statement.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

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Notes to the Abridged Accounts
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2 Accounting policies (continued)

Intangible fixed assets (continued)

- (a) it is technically feasible to complete the software so that it will be available for use;
- (b) management intends to complete the software and use or sell it;
- (c) there is an ability to use or sell the software;
- (d) it can be demonstrated how the software will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- (f) the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred, including research costs.

Tangible fixed assets

Tangible assets are stated at historical cost, including costs directly attributable to acquisition, less accumulated depreciation and any provision for impairment.

Depreciation is provided on all tangible assets, to write down the cost of fixed assets to their estimated residual values over their expected useful lives on a straight-line basis. The rates used are as follows:

Leasehold building improvements	10%-20%
Plant, machinery, fixtures and fittings	10%-50%

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes overheads appropriate to the stage of manufacture or completion. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and sale. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

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Notes to the Abridged Accounts
for the year ended 31 December 2019

2 Accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case tax is recognised in other comprehensive income or directly in equity respectively.

a) Current taxation

Current tax, including UK corporation tax and foreign tax, is the amount of income tax payable in respect of the taxable profit for the year, provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

b) Deferred taxation

Deferred tax is provided on all timing differences at the statement of financial position date, which result in an obligation 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 tax rates and law that have been enacted or substantively enacted by year end. 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 financial statements. Deferred tax assets are recognised to the extent that it is regarded probable that they will be recovered. Deferred tax assets and liabilities are not discounted.

Provisions

Provisions are recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to the income statement.

The company's financial statements are presented in pound sterling and rounded to thousands.

The company's functional and presentational currency is the pound sterling.

Foreign currency transactions are translated at the spot exchange rate at the date of transaction and exchange gains and losses arising from trading are included in operating expenses in the year they arise.

Global Upholstery Solutions Limited
Notes to the Abridged Accounts
for the year ended 31 December 2019

2 Accounting policies (continued)

Operating leased assets

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the lease term. Benefits received and receivable on operating leases from third parties are included within deferred income and recognised in the profit and loss account on a straight-line basis over the lease term.

Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial

a) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest rate method. At each balance sheet date, financial assets are assessed for objective evidence of impairment and any impairment loss is recognised in the income statement.

b) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Such liabilities are subsequently carried at amortised cost using the effective interest rate method.

Share capital

Ordinary shares are classified as equity. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

3 Employees

	2019 Number	2018 Number
Average number of persons employed by the company	<u>54</u>	<u>54</u>

Global Upholstery Solutions Limited
Notes to the Abridged Accounts
for the year ended 31 December 2019

4 Intangible fixed assets	Total £'000
Cost	
At 1 January 2019	228
At 31 December 2019	<u>228</u>
Amortisation	
At 1 January 2019	141
Provided during the year	87
At 31 December 2019	<u>228</u>
Net book value	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>87</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 5 years.

5 Tangible fixed assets	Total £'000
Cost	
At 1 January 2019	650
Additions	394
At 31 December 2019	<u>1,044</u>
Depreciation	
At 1 January 2019	295
Charge for the year	148
At 31 December 2019	<u>443</u>
Net book value	
At 31 December 2019	<u>601</u>
At 31 December 2018	<u>355</u>

6 Stocks	2019 £'000	2018 £'000
Raw materials and consumables	190	132
Work in progress	51	-
	<u>241</u>	<u>132</u>

7 Debtors	2019 £'000	2018 £'000
Trade debtors	43	153
Deferred tax asset	16	17
Other debtors	50	30
	<u>109</u>	<u>200</u>

Global Upholstery Solutions Limited
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8 Creditors	2019 £'000	2018 £'000
Trade creditors	69	115
Amounts owed to group undertakings	2,390	1,777
Other taxes and social security costs	5	3
Other creditors	53	62
	<u>2,517</u>	<u>1,957</u>

9 Events after the reporting date

Following the year end the World Health Organisation declared Coronavirus COVID-19 a pandemic and as at the 30 September 2020 there were over 33 million confirmed cases worldwide. Many countries implemented significant lockdown restrictions to reduce the spread of the virus which have had a significant impact on the global economy. It is not clear for how long this pandemic will last or how much more extensive it will become, or the further measures that will be taken by governments and others to seek to control this pandemic and its impact.

Since the outbreak of the COVID-19 coronavirus pandemic the company has continued to operate and provide extensive measures to protect both customers and employees, including rigorous risk assessments and following COVID-19 secure protocols. The company continues to monitor developments daily and amend our working practices to take account of the latest government advice.

The impacts have been identified as a non adjusting post balance sheet event.

10 Pension commitments

Contributions by the company to the defined contribution schemes for the financial year were £55,000 (2018: £43,000). Commitments in respect of the scheme are paid by Stannah Management Services Limited, a fellow group company, and recharged to the company. The outstanding commitment in respect of the defined contribution scheme for all group companies at the year end was £489,000 (2018: £439,000).

11 Contingent liabilities

The company's UK subsidiary undertakings, excluding Peter Brown Limited, are party to a joint arrangement whereby they guarantee any loans and overdrafts of those undertakings. At 31 December 2019 the total amount owed by those undertakings was £nil (2018: £nil).

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Notes to the Abridged Accounts
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12 Controlling party

The directors regard Stannah Lifts Holdings Limited, a company incorporated in England, as the ultimate parent company. Stannah Lifts Holdings Limited is the smallest and largest group to consolidate these financial statements. Copies of the group financial statements are available from Stannah Lifts Holdings Limited, Watt Close, East Portway Industrial Estate, Andover, SP10 3SD.

The directors regard the following as the controlling parties of Stannah Lifts Holdings Limited:

BLRS SFHL share trust
ANRS/A SFHL share trust
ANRS/H SFHL share trust
ANRS 2017 Discretionary Share Trust

Having regard to the nature of the trusts and disposition of the trustees and beneficiaries, the company has no ultimate controlling party.

13 Other information

Global Upholstery Solutions Limited is a private company limited by shares and incorporated in England. Its registered office is:

Watt Close
East Portway
Andover
Hampshire
SP10 3SD