
LUXDECO LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2018

LUXDECO LTD
REGISTERED NUMBER: 08067602

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	<i>As restated</i> 2017 £
Fixed assets			
Intangible assets	4	171,678	215,099
Tangible assets	5	8,945	13,914
		<u>180,623</u>	<u>229,013</u>
Current assets			
Stocks		152,493	61,850
Debtors: amounts falling due within one year	6	548,402	574,797
Cash at bank and in hand		321,440	68,687
		<u>1,022,335</u>	<u>705,334</u>
Creditors: amounts falling due within one year	7	(1,154,589)	(1,512,189)
Net current liabilities		<u>(132,254)</u>	<u>(806,855)</u>
Total assets less current liabilities		48,369	(577,842)
Creditors: amounts falling due after more than one year	8	(4,624,900)	(2,879,650)
Net liabilities		<u><u>(4,576,531)</u></u>	<u><u>(3,457,492)</u></u>
Capital and reserves			
Called up share capital		2	2
Share premium account		3,039,573	3,034,964
Profit and loss account		(7,616,106)	(6,492,458)
		<u><u>(4,576,531)</u></u>	<u><u>(3,457,492)</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Holmes
Director

Date: 6 December 2018

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. General information

The principal activity of LuxDeco Ltd ("the Company") is that of an online retailer of fine furnishings.

The Company is a private company limited by shares and is incorporated in England and Wales.

The Registered Office address is 9th Floor 107 Cheapside, London, EC2V 6DN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the director has carefully considered these risks including an assessment on uncertainty on future trading projections for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on assessment, the director considers that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the director considers that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The investors continue to support LuxDeco Ltd and therefore, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubts upon the Company's ability to continue as a going concern. Thus the director has continued to adopt the going concern basis of accounting in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- straight line over 3 years
Office equipment	- straight line over 3 years
Computer equipment	- straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from other third parties, loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for

objective evidence of impairment. If an asset is impaired the impairment loss is the difference

between the carrying amount and the present value of the estimated cash flows discounted at the

asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset

expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are

transferred to another party or (c) control of the asset has been transferred to another party who has

the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary

course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual

obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. Employees

The average monthly number of employees, including directors, during the year was 25 (2017 - 28).

4. Intangible assets

	Develop-ment £
Cost	
At 1 April 2017	670,122
Additions	102,957
	<hr/>
At 31 March 2018	773,079
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Amortisation	
At 1 April 2017	455,023
Charge for the year	146,378
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At 31 March 2018	601,401
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Net book value	
At 31 March 2018	<u>171,678</u>
<i>At 31 March 2017</i>	<u>215,099</u>

LUXDECO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. Tangible fixed assets

	Motor vehicles	Office & warehouse equipment	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2017	-	12,595	30,712	43,307
Additions	5,695	-	1,871	7,566
Disposals	-	-	(2,870)	(2,870)
At 31 March 2018	<u>5,695</u>	<u>12,595</u>	<u>29,713</u>	<u>48,003</u>
Depreciation				
At 1 April 2017	-	7,539	21,854	29,393
Charge for the year on owned assets	1,661	3,338	4,666	9,665
At 31 March 2018	<u>1,661</u>	<u>10,877</u>	<u>26,520</u>	<u>39,058</u>
Net book value				
At 31 March 2018	<u>4,034</u>	<u>1,718</u>	<u>3,193</u>	<u>8,945</u>
<i>At 31 March 2017</i>	<u>-</u>	<u>5,056</u>	<u>8,858</u>	<u>13,914</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Debtors

	2018 £	2017 £
Trade debtors	132,573	81,645
Other debtors	56,527	50,524
Prepayments and accrued income	357,973	441,299
Deferred taxation	1,329	1,329
	<u>548,402</u>	<u>574,797</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	411,783	651,841
Other taxation and social security	74,239	80,011
Other creditors	194,779	177,471
Accruals and deferred income	473,788	602,866
	<u>1,154,589</u>	<u>1,512,189</u>

8. Creditors: Amounts falling due after more than one year

	2018 £	<i>As restated</i> 2017 £
Other loans	4,624,900	2,879,650
	<u>4,624,900</u>	<u>2,879,650</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Deferred taxation

	2018 £
At beginning of year	1,329
At end of year	<u>1,329</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	1,329	1,329
	<u>1,329</u>	<u>1,329</u>

10. Prior year adjustment

In the prior year, £385,000 was incorrectly shown as a creditor instead of being shown in the Share Premium account. This has been corrected in this year's accounts, shown as a separate line on the Statement of Changes in Equity. This has had no effect on the net profit.

11. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	87,960	205,988
Later than 1 year and not later than 5 years	123,500	48,960
	<u>211,460</u>	<u>254,948</u>

12. Related party transactions

Included within debtors due within one year is an amount owed by a director, amounting to £7,952 (2017 - included within creditors due within one year an amount owed to a director of £8,277).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. Post balance sheet events

After the year end, the company received a further tranche of funding amounting to £725,000 from the investors.

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