

EFG Office Furniture Limited
(formerly EFG Matthews Office Furniture Limited)

**Directors' report and financial
statements**

Registered number 257489

31 December 2006

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activities

The company is engaged principally in the distribution of office furniture

Business review

The Company's principal activity is that of selling office furniture to both public and private sector businesses. The Company has a wide and extensive assortment of modern products that make the company an attractive partner in the designing and fitting of offices.

Our strategy is to provide the best quality service to our customers, and increase turnover by targeting independent customers and winning national and regional contracts. This will be achieved by offering outstanding customer services and complete office solutions to existing and new customers, utilising our national network of high quality distribution and installation hubs. There is an on-going programme for introduction of new products, as it is important to have high quality products available on short lead times.

The Company has made good progress with this strategy. The focus in 2006 has been to build relationships with customers by developing the marketing programme and strengthening the direct-selling sales force. We have seen an increase in sales volume in a slightly stronger office furniture market. The gross profit margin reduced from 35% in 2005 to 26% in 2006 due to the change in customer mix to a greater proportion of contract sales. However, this was offset by a reduction in the cost base leading to a similar operating position in both years.

The restructuring process continued during 2006 with the closure of the warehouse facility at St Helens. The company sold all remaining owned property in 2006, leading to a cash balance at the end of the year of £2.2 million.

During 2006 it was decided to move the head office to a new, modern and larger facility in Warrington, incorporating a new modern showroom. This took place on 26 March 2007.

On 9 May 2007 the company's ultimate parent company was acquired by FERD Equity Partner Fund II as part of FERD's continuous growth initiative, maximising the strengths of both parties. From this date the ultimate holding company became EFG Holding AB.

The office furniture market remains aggressive, keeping prices competitive. The fragmented nature of the market means potential risk comes from mergers or acquisitions amongst our competitors, impacting on market share.

The Company's key performance indicators are sales turnover, gross margin and overheads as a proportion of turnover.

On 13 June 2007 the company changed its name to EFG Office Furniture Limited.

Results and dividends

The profit for the year after taxation amounted to £880,000 (2005: loss £1,109,000). The directors do not recommend the payment of a dividend for the year ended 31 December 2006.

Employees

All employees receive equal opportunity for training and career development. The sole criterion for selection and promotion is the individual's suitability for the position of employment offered. The company supports the employment of disabled persons wherever possible. For many years the company has actively pursued a policy of encouraging participation by employees in the conduct of the organisation. The company believes that all employees should be kept informed regularly by their own managers on all matters of interest to them.

Charitable donations

During the period the company made charitable donations of £2,060 (2005: £111).

Directors' report *(continued)*

Environmental update

General statement The two principles of sustainable development and continuous improvement in environmental performance have underpinned the environmental systems, purchasing requirements and delivery

To meet these requirements the directors have set an Environmental Policy backed with objectives and targets for 2006

Annual update

During the year all areas of the company have continued to maintain procedures in line with current legislation whilst seeking to exceed the basic requirements. As a result of restructuring undertaken during the year the company's environmental impact has significantly reduced

Directors and directors' interests

The directors who served during the period were as follows

R Setterberg	(Chairman)
SW Patterson	(resigned 30 September 2006)
TB Nilson	
LG Carlsson	(resigned 14 July 2006)
K Ferguson	(resigned 13 April 2006)
T Wingerei	(appointed 14 July 2006)
C Howarth	(appointed 1 January 2007)

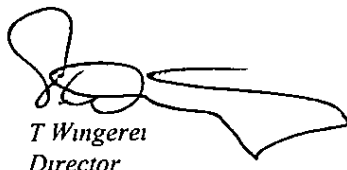
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is proposed at the forthcoming Annual General Meeting

By order of the board



T Wingerei
Director

Building 3 Clearwater
Lingley Mere Business Park
Warrington
Cheshire
WA5 3UZ

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments and 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, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditors' report to the members of EFG Matthews Office Furniture Limited

We have audited the financial statements of EFG Matthews Office Furniture Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditor's report 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of EFG Matthews Office Furniture Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors

12th October 2007

Profit and loss account
for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Turnover	2	21,049	19,313
Cost of sales		(15,542)	(12,460)
Gross profit		5,507	6,853
Distribution costs		(6,074)	(7,230)
Administrative expenses		(1,191)	(1,540)
Other operating income	7	(7,265) 2	(8,770) 14
		(7,263)	(8,756)
Operating loss		(1,756)	(1,903)
Exceptional items	4	2,539	906
Interest receivable	8	9	11
Other finance income	9	77	151
Interest payable	10	(30)	(3)
Profit/(loss) on ordinary activities before taxation	3	839	(838)
Tax on profit/(loss) on ordinary activities	11	41	(271)
Profit/(loss) on ordinary activities after taxation		880	(1,109)
Profit/(loss) for the financial year	18	880	(1,109)

Notes all operations are continuing

Balance sheet

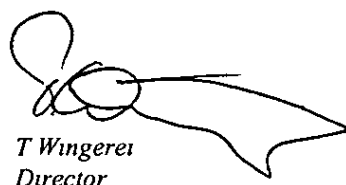
for the year ended 31 December 2006

	Notes	2006	2005
		£000	£000
Tangible fixed assets	13	181	3,113
Current assets			
Stocks	14	922	1,145
Debtors	15	5,931	4,254
Bank balances and cash		2,225	42
		9,078	5,441
Creditors amounts falling due within one year	16	(3,693)	(3,958)
Net current assets		5,385	1,483
Total assets less current liabilities		5,566	4,596
Provisions for liabilities and charges	17	(120)	(125)
Net assets excluding pension asset		5,446	4,471
Pension asset	21	45	428
Net assets including pension asset		5,491	4,899
Capital and reserves			
Called up share capital	20	3,464	3,464
Share premium account	18	6	6
Capital redemption reserve	18	175	175
Profit and loss account	18	1,846	1,254
Shareholders' funds		5,491	4,899

These financial statements were approved by the board of directors on
 signed on its behalf by

26/9/07

and were


 T Wingerei
 Director

Statement of total recognised gains and losses
for the year ended 31 December 2006

	2006	2005
	£000	£000
Profit/(loss) for the financial year	880	(1,109)
Actuarial loss recognised in the pension scheme	(411)	(2,803)
Deferred tax arising on losses in the pension scheme	123	841
Total recognised gains/(losses) relating to the financial year	<u>592</u>	<u>(3,071)</u>
Prior year adjustment - implementation of FRS 17	-	1,757
Prior year adjustment - first time adoption of FRS 21	-	500
Total gains/(losses) recognised since last annual report	<u>592</u>	<u>(814)</u>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The financial statements have been prepared on a going concern basis, since the ultimate parent company, EFG European Furniture Group AB, has confirmed that it will continue to provide group support

The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a wholly owned subsidiary undertaking of EFG European Furniture Group AB, and is included in the consolidated accounts of that company. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements

As 100% of the company's voting rights are controlled within the group headed by European Furniture Group AB. The company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of European Furniture Group AB, within which this company is included, can be obtained from the address given in note 25

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business on transfer of risks and rewards to outside customers for goods supplied and for services provided

Depreciation

Depreciation on land and buildings and plant and equipment is calculated to write down the cost of such fixed assets by equal annual instalments over their expected useful lives as follows

Land and buildings	- 2%
Plant and machinery	- 10% - 33%

Notes (continued)

Stock

Stock and work in progress is stated at the lower of cost and net realisable value

Deferred taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Post retirement benefits

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) is recognised in full. The movement in the scheme surplus is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Holiday pay

Full provision has been made for all employees' holiday pay entitlement.

Leases

Amounts receivable under finance leases are included under debtors and represent the total amount outstanding under lease agreements less unearned income. Finance lease income, having been allocated to accounting periods to give a constant periodic rate of return on the net cash investment, is included in other operating income.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Turnover

The turnover and profit before taxation is attributable to one activity, the distribution of office furniture

	2006 £000	2005 £000
Turnover by destination		
United Kingdom	20,246	19,313
Europe	803	-
	<u>21,049</u>	<u>19,313</u>

3 Profit/(Loss) on ordinary activities after taxation

Profit/(Loss) on ordinary activities is stated after charging

	2006 £000	2005 £000
Operating lease payments		
- land and buildings	172	276
- other	165	207
Professional charges	74	44
Audit of these financial statements	26	25
Amounts receivable by the auditors and their associates in respect of		
Other services relating to taxation	11	9
Depreciation	129	205
Current service cost of pension	305	344
	<u>21,049</u>	<u>19,313</u>

4 Exceptional items

	2006 £000	2005 £000
Profit on property disposals	2,539	374
Redundancy costs	-	(434)
Curtailment in respect of pension scheme (refer note 21)	-	966
	<u>2,539</u>	<u>906</u>

The tax effect is nil due to the availability of reliefs and trading losses

5 Staff costs

Particulars of employees (including directors) are shown below
 Staff costs during the year amounted to

	2006 £000	2005 £000
Wages and salaries	2,406	3,828
Social security costs	264	445
Other pension costs	305	344
	<u>2,975</u>	<u>4,617</u>

The average number of employees during the year was as follows

	2006 Number	2005 Number
Administration	21	26
Sales	64	76
Production	13	45
	<u>98</u>	<u>147</u>

Notes (continued)

6 Directors' remuneration

Directors emoluments including benefits in kind included above in staff costs are as follows

	2006 £000	2005 £000
Emoluments	174	153

The emoluments of the highest paid director, were £106,816 (2005 £69,000) Two directors are members of the defined benefit scheme (2005 Two)

7 Other operating income

	2006 £000	2005 £000
Other interest received	-	7
Other miscellaneous income	2	7
	<u>2</u>	<u>14</u>

8 Interest receivable

	2006 £000	2005 £000
Money market interest received	9	11

9 Other finance income

	2006 £000	2005 £000
Expected return on pension scheme assets	972	919
Interest on pension scheme liabilities	(895)	(768)
	<u>77</u>	<u>151</u>

10 Interest payable

	2006 £000	2005 £000
Interest on bank overdraft	-	3
Interest on inter company creditor	30	-
	<u>30</u>	<u>3</u>

Notes (continued)

11 Taxation

	2006 £000	2005 £000
Current tax		
UK corporation tax at 30%	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred taxation		
Origination and reversal of timing differences	41	(271)
Tax on profit/(loss) on ordinary activities	41	(271)

Factors affecting the tax charge for the current period

The tax charge assessed for the period is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006 £000	2005 £000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	839	(838)
Loss on ordinary activities multiplied by the standard rate of corporate tax in the UK of 30%	252	(251)
Effects of		
Other timing differences	(2)	(278)
Depreciation for year in excess of capital allowances	160	72
Permanent differences	(722)	6
Adjustment in respect of prior periods	-	-
Losses	312	451
Tax losses carried forward	-	-
Total current tax (see above)	-	-

12 Dividends

The aggregate amount of dividends comprises

	2006 £000	2005 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	-	500
Aggregate amount of dividends paid in the financial year	-	500

Notes (continued)

13 Tangible fixed assets

	Total	Land and buildings	Plant and equipment
	£000	£000	£000
<i>Cost</i>			
At beginning of year	4,505	3,152	1,353
Additions	-	-	-
Disposals	(3,967)	(3,152)	(815)
At 31 December 2006	538	-	538
<i>Accumulated depreciation</i>			
At 31 December 2005	1,392	374	1,018
Provided in the period	129	41	88
Disposals	(1,164)	(415)	(749)
At 31 December 2006	357	-	357
<i>Net book value</i>			
At 31 December 2006	181	-	181
At 31 December 2005	3,113	2,778	335

14 Stock

	2006 £000	2005 £000
Warehouse stocks for resale	872	1,053
Showroom display stocks	50	63
Manufacturing stocks - raw materials	-	29
	922	1,145

15 Debtors

	2006 £000	2005 £000
Trade debtors	5,378	3,927
Amounts owed by parent undertaking	162	14
Other debtors	391	313
	5,931	4,254

Included in other debtors above is £nil to be repaid after more than 1 year (2005 £599)

Included in trade debtors above is £2,996 to be repaid after more than 1 year (2005 £4,382)

Notes (continued)

16 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Trade creditors	1,651	995
Amounts owing to fellow group undertakings	45	47
Amounts owing to parent undertakings	1,104	1,687
Social security and other taxes	548	527
Bank overdraft	-	348
Other creditors	345	354
	<u>3,693</u>	<u>3,958</u>

17 Provision for liabilities and charges and deferred taxation

	Deferred tax £000	Other £000	Total £000
At 1 January 2006	-	125	125
Utilised in year	-	(25)	(25)
Provided for	-	20	20
At 31 December 2006	<u>-</u>	<u>120</u>	<u>120</u>

The provision of £120,000 is in respect of an ongoing claim with Holton Transport

The major components of the provision for deferred taxation are as follows

	2006 £000	2005 £000	
	Provided	Unprovided	Unprovided
Difference between accumulated depreciation and capital allowances	-	(120)	-
Short term timing differences	-	(38)	-
Losses	-	(1,956)	-
	<u>-</u>	<u>(2,114)</u>	<u>-</u>

In compliance with FRS 19 deferred tax assets are not provided where suitable taxable profits are not sufficiently certain

In March 2007 the Chancellor of the Exchequer announced proposals to change the UK rate of corporation tax from 30% to 28% with effect from 1 April 2008. This will reduce the deferred tax asset available in future periods

Notes (continued)

18 Reconciliation of movement in shareholders' funds

	Share capital	Profit and loss account	Capital redemption reserve	Share premium account	Total 2006	Total 2005
	£000	£000	£000	£000	£000	£000
Opening shareholders' funds at 1 January 2006 (before prior period adjustments)	3,464	1,254	175	6	4,899	6,213
Prior year adjustment in respect of FRS17	-	-	-	-	-	1,757
Prior year adjustment in respect of FRS21	-	-	-	-	-	500
Opening shareholders funds adjusted in respect of FRS21	3,464	1,254	175	6	4,899	8,470
Profit/(loss) for the year before dividend	-	880	-	-	880	(1,129)
Other recognised gains and losses relating to the year (net)	-	(288)	-	-	(288)	(1,962)
Net increase/decrease in shareholders' funds	-	592	-	-	592	(3,571)
Closing shareholders funds	3,464	1,846	175	6	5,491	4,899
					2006	2005
					£000	£000
Profit and loss reserve excluding pension asset					1,801	826
Pension asset					45	428
					1,846	1,254

19 Capital commitments

At 31 December 2006 the company had capital commitments of £nil (2005 £ nil)

20 Called up share capital

	2006 £000	2005 £000
<i>Authorised</i>		
£1 'A' Ordinary shares	433	433
£1 'B' Ordinary shares	2,755	2,755
0 1p 'C' Ordinary shares	276	276
	3,464	3,464
<i>Allotted and fully paid</i>		
£1 'A' Ordinary shares	4,000	4,000
£1 'B' Ordinary shares	4,000	4,000
0 1p 'C' Ordinary shares	2,000	2,000
	10,000	10,000

The rights of each class of share are set out below

Income	100 'C' Ordinary shares and 1 'B' Ordinary shares held together rank pari passu with 1 'A' Ordinary share
Voting	100 'C' Ordinary shares and 1 'B' Ordinary shares hold one vote and together rank pari passu with 1 'A' Ordinary share
Return of Capital	100 'C' Ordinary shares and 1 'B' Ordinary shares held together rank pari passu with 1 'A' Ordinary share

Notes (continued)

21 Pension commitments

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2004, this was updated on an FRS 17 basis to 31 December 2006, 31 December 2005 and 31 December 2004 by a qualified independent actuary.

The major assumptions used in this valuation were

	2006	2005	2004
Rate of increase in salaries	5.04%	4.84%	4.77%
Rate of increase in pensions in payment	3.04%	2.84%	2.77%
Discount rate applied to scheme liabilities	5.12%	4.73%	5.29%
Inflation assumption	3.04%	2.84%	2.77%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus are inherently uncertain, were

	Long-term rate of return 2006	Value at 2006 £000	Long-term rate of return 2005	Value at 2005 £000	Long-term rate of return 2004	Value at 2004 £000
Equities	5%	-	5%	7,215	5%	6,899
Bonds	5%	20,192	5%	11,643	5%	11,134
Property	5%	-	5%	784	5%	750
Total market value of assets		20,192		19,642		18,783
Present value of scheme liabilities		(18,433)		(19,030)		(15,297)
Surplus in the scheme		1,759		612		3,486
Unrecoverable surplus in the scheme		(1,694)		-		(976)
Recoverable surplus in the scheme		65		612		2,510
Deferred tax		(20)		(184)		(753)
Net pension asset		45		428		1,757

Notes (continued)

21 Pension commitments (continued)

Movement in surplus in the year

	2006 £000	2005 £000
Surplus in scheme at beginning of year	612	2,510
Movement in the year		
Current service cost	(305)	(344)
Contributions	92	132
Curtailment	-	966
Other financial income	77	151
Actuarial loss	(411)	(2,803)
Surplus in scheme at 31 December 2006	<u>65</u>	<u>612</u>

Analysis of other pension costs charged in arriving at operating loss

	2006 £000	2005 £000
Current service cost	305	344
Past service costs	-	-
Total operating charge	<u>305</u>	<u>(344)</u>

Analysis of amounts included in other finance income

	2006 £000	2005 £000
Expected return on pension scheme assets	972	919
Interest on pension scheme liabilities	(895)	(768)
Total operating income	<u>77</u>	<u>151</u>

Amounts recognised in statement of total recognised gains and losses

	2006 £000	2005 £000
Actual return less expected return on scheme assets	-	762
Experience gains and losses arising on scheme liabilities	561	(143)
Changes in assumptions underlying the present value of the scheme liabilities	722	(4,398)
Adjustment due to surplus cap	(1,694)	976
Actuarial loss recognised in statement of total recognised gains and losses	<u>(411)</u>	<u>(2,803)</u>

Notes (continued)

21 Pension commitments (continued)

History of experience gains and losses

	2006 £000	2005 £000	2004 £000	2003 £000
Difference between expected and actual return on scheme assets	-	762	1,369	(26)
Percentage of scheme assets	0%	4%	7%	0%
Experience gains and losses on scheme liabilities	613	(143)	27	832
Percentage of scheme liabilities	3%	(1%)	0%	6%
Total amount recognised in statement of total recognised gains and losses	(364)	(2,803)	200	264
Percentage of scheme liabilities	(2%)	(15%)	1%	2%

Subsequent to the year end the Company and Trustees have commenced the wind up of the scheme. The effective date of the commencement of wind up was 30 April 2007.

22 Contingent liabilities

There were no contingent liabilities at the balance sheet date.

23 Operating lease commitments

The following operating lease payments are due within one year. The leases to which these amounts relate expire as follows:

	2006 Land and buildings £000	2006 Other £000	2005 Land and buildings £000	2005 Other £000
Between one and two years	-	211	-	295
Between two and five years	-	4	-	59
In five years or more	454	-	206	-
	<u>454</u>	<u>215</u>	<u>206</u>	<u>354</u>

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

24 Related party activities

The group is exempt from the requirement of FRS 8 to disclose transactions with other group members. There are no other related party transactions.

25 Parent company

During 2006 the company's ultimate parent company and controlling party was EFG European Furniture Group AB, which is incorporated in Sweden. The largest and smallest group in which the results of EFG Matthews Office Furniture Limited were consolidated was that headed by EFG European Furniture Group AB, incorporated in Sweden. The consolidated accounts are available from EFG European Furniture Group AB, Trehornavagen 2, PO Box 1017, SE-573 28, Tranås, Sweden.

On 9 May 2007, the group was acquired by FERD Equity Partner Fund II. From this date the ultimate holding company, became EFG Holding AB.