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**CITY OFFICE INTERIORS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 October 2007**



**Clement Keys**

CHARTERED ACCOUNTANTS

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**CITY OFFICE INTERIORS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

D C Brown  
D J Crabb  
M Rich  
S D Spires

**SECRETARY**

D C Brown

**COMPANY NUMBER**

1854684

**REGISTERED OFFICE**

Albany House  
Hurst Street  
Birmingham  
B5 4BD

**AUDITORS**

Clement Keys  
Chartered Accountants & Registered Auditors  
39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

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**CITY OFFICE INTERIORS LIMITED**

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## **CITY OFFICE INTERIORS LIMITED**

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### **DIRECTORS' REPORT for the year ended 31 October 2007**

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The directors present their report and the financial statements for the year ended 31 October 2007

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- 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 the financial statements comply with the Companies Act 1985. 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company for the year consisted of the design and fitting-out / refurbishment of office interiors for end-users, landlords and developers.

#### **BUSINESS REVIEW**

The Company's turnover increased by 9% reflecting a consolidation of the progress achieved in the previous year with the largest project completed, accounting for 21% of the total turnover. The overall gross margin achieved also increased by 2.3% courtesy of a significant betterment generated by a partially completed project.

Again, we have witnessed a continuation in the growth of works secured on behalf of property investors/developers albeit, due to timings, the actual split of turnover between these and end-user clients, remained roughly in line with that achieved last year. During the year we have further strengthened our links with a number of established property institutions and the Directors remain of the opinion that this segment of the market provides the greatest potential for sustainable future growth.

The company has started the new year with a record order book and the Directors are confident that it is strategically well placed to face the challenges posed by the toughening market conditions that lie ahead.

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## CITY OFFICE INTERIORS LIMITED

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### DIRECTORS' REPORT for the year ended 31 October 2007

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#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £340,556 (2006 - £256,308)

Dividends of £200,000 (2006 £200,000) were paid during the year At the end of the year there are proposed dividends of £150,000

#### DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary shares of £1 each	
	31/10/07	1/11/06
D C Brown	550	550
D J Crabb	300	300
M Rich	550	550
S D Spires	8,000	8,000

#### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year donations totalling £650 (2006 £598) were made to charitable organisations

#### PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

#### AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 22 April 2008 and signed on its behalf



D.C. Brown  
Secretary

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## **CITY OFFICE INTERIORS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITY OFFICE INTERIORS LIMITED**

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We have audited the financial statements of City Office Interiors Limited for the year ended 31 October 2007 set out on pages 5 to 17. These financial statements have been prepared in accordance with 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 Auditors' 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

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.

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**CITY OFFICE INTERIORS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITY OFFICE INTERIORS LIMITED**

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**OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2007 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



**CLEMENT KEYS**

Chartered Accountants  
Registered Auditors

39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

22 April 2008

**CITY OFFICE INTERIORS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 October 2007

	Note	2007 £	2006 £
<b>TURNOVER</b>	1,2	8,564,993	7,854,306
Cost of sales		(6,391,189)	(6,040,810)
<b>GROSS PROFIT</b>		2,173,804	1,813,496
Administrative expenses		(1,810,979)	(1,547,723)
<b>OPERATING PROFIT</b>	3	362,825	265,773
<b>EXCEPTIONAL ITEMS</b>			
Net profit on sale of tangible fixed assets	7	36,113	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		398,938	265,773
Interest receivable		61,626	64,326
Interest payable	6	(18)	(32)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		460,546	330,067
Tax on profit on ordinary activities	8	(119,990)	(73,759)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	16	340,556	256,308

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account

The notes on pages 8 to 17 form part of these financial statements



**CITY OFFICE INTERIORS LIMITED**

**BALANCE SHEET**  
as at 31 October 2007

	Note	£	2007	£	2006	£
<b>FIXED ASSETS</b>						
Tangible fixed assets	9		156,555		175,627	
Fixed asset investments	10		-		1,000	
			<u>156,555</u>		<u>176,627</u>	
<b>CURRENT ASSETS</b>						
Stocks	11	96,152		119,559		
Debtors	12	2,557,311		2,083,721		
Cash at bank and in hand		2,122,577		1,847,119		
		<u>4,776,040</u>		<u>4,050,399</u>		
<b>CREDITORS</b> amounts falling due within one year	13	(3,962,910)		(3,397,897)		
<b>NET CURRENT ASSETS</b>			813,130		652,502	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>969,685</u>		<u>829,129</u>	
<b>CAPITAL AND RESERVES</b>						
Called up share capital	15	10,000		10,000		
Profit and loss account	16	959,685		819,129		
<b>SHAREHOLDERS' FUNDS</b>	17	<u>969,685</u>		<u>829,129</u>		

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 April 2008



**S D Spires**  
Director

The notes on pages 8 to 17 form part of these financial statements

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**CITY OFFICE INTERIORS LIMITED**

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**CASH FLOW STATEMENT**  
**for the year ended 31 October 2007**

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	<b>Note</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Net cash flow from operating activities	20	<b>487,563</b>	1,023,643
Returns on investments and servicing of finance	21	<b>61,608</b>	64,294
Taxation		<b>(66,990)</b>	(75,759)
Capital expenditure and financial investment	21	<b>(6,723)</b>	(91,542)
Equity dividends paid		<b>(200,000)</b>	(200,000)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>275,458</b>	720,636

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
**for the year ended 31 October 2007**

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	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Increase in cash in the year	<b>275,458</b>	720,636
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>275,458</b>	720,636
Net funds at 1 November 2006	<b>1,847,119</b>	1,126,483
<b>NET FUNDS AT 31 OCTOBER 2007</b>	<b>2,122,577</b>	1,847,119

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The notes on pages 8 to 17 form part of these financial statements

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## CITY OFFICE INTERIORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2007

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#### 1 ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

##### CHANGE IN ACCOUNTING POLICY

In 2006 the company adopted the provisions of FRS 21 'Events after the balance sheet date' by which final dividends proposed by the Board and unpaid at the end of the year are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid. This represents a change in policy from that of recognising dividends in the year for which they are proposed. The previously published figures at 31 October 2005 were restated. This resulted in the dividend balance being reduced by £100,000 with a corresponding decrease in creditors less than one year. These changes resulted in shareholders funds increasing from £672,821 to £772,821 in 2005.

##### 1.2 TURNOVER

Turnover comprises the invoiced value of goods and services rendered together with the value of contracting work executed, Exclusive of Value Added Tax and trade discounts

##### 1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	- 25% straight line
Fixtures & fittings	- 10-20% straight line

##### 1.4 INVESTMENTS

Investments held as fixed assets are shown at cost less provisions for their impairment

##### 1.5 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### 1.6 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Contract work in progress other than substantially completed work is valued at cost less foreseeable losses and payments on account

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## CITY OFFICE INTERIORS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2007

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

##### 1.8 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

##### 1.9 PENSIONS

Contributions are made by the company to individuals' personal pension plans. These are charged to the profit and loss account as they become due

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#### 2. TURNOVER

The company's turnover and profit before taxation were all derived from its principal activity

All turnover arose within the United Kingdom

#### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	66,742	61,688
Auditors' remuneration	7,750	7,000
Profit on disposal of fixed assets	(3,834)	(22,970)
Operating lease rentals - Plant and Equipment	1,504	1,418
- Land and buildings	48,347	47,636
	<u>          </u>	<u>          </u>

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**CITY OFFICE INTERIORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 October 2007**

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**4 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,285,925</b>	<b>1,067,866</b>
Social security costs	<b>155,428</b>	<b>130,595</b>
Other pension costs	<b>66,922</b>	<b>50,510</b>
	<b><u>1,508,275</u></b>	<b><u>1,248,971</u></b>

The average monthly number of employees, including the directors, during the year was as follows

	<b>2007</b>	<b>2006</b>
	<b>No</b>	<b>No</b>
Office and Management	<b><u>11</u></b>	<b><u>10</u></b>

**5. DIRECTORS' REMUNERATION**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Emoluments	<b><u>1,061,510</u></b>	<b><u>899,529</u></b>
Company pension contributions to money purchase pension schemes	<b><u>31,530</u></b>	<b><u>29,453</u></b>

During the year retirement benefits were accruing to 4 directors (2006 - 4) in respect of money purchase pension schemes

The highest paid director received remuneration of £683,416 (2006 - £566,400)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £14,848 (2006 - £12,891)

**6. INTEREST PAYABLE**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
On other loans	<b><u>18</u></b>	<b><u>32</u></b>

**7 EXCEPTIONAL ITEMS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit on sale of fixed asset investment	<b><u>36,113</u></b>	<b><u>-</u></b>

**CITY OFFICE INTERIORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 2007

**8 TAXATION**

	2007 £	2006 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	128,000	68,000
Adjustments in respect of prior periods	(1,010)	(241)
<b>TOTAL CURRENT TAX</b>	<u>126,990</u>	<u>67,759</u>
<b>DEFERRED TAX</b> (see note 14)		
Origination and reversal of timing differences	(7,000)	6,000
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>119,990</u>	<u>73,759</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2006 - *lower than*) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>460,546</u>	<u>330,067</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	138,164	99,020
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	7,713	2,387
Depreciation in excess of capital allowances	5,769	(2,130)
Other timing differences	-	873
Marginal rate relief	(25,639)	(32,150)
Adjustments to tax charge in respect of prior periods	(1,010)	(241)
Provision not deductible for tax purposes	3,045	-
Other item - user input	(62)	-
Tax underprovided	(915)	-
Income not taxable	(75)	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>126,990</u>	<u>67,759</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

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CITY OFFICE INTERIORS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 October 2007

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9. TANGIBLE FIXED ASSETS

	Plant, equipment and motor vehicles £
<b>COST</b>	
At 1 November 2006	302,375
Additions	55,536
Disposals	(33,420)
	<hr/>
At 31 October 2007	324,491
<b>DEPRECIATION</b>	
At 1 November 2006	126,748
Charge for the year	66,742
On disposals	(25,554)
	<hr/>
At 31 October 2007	167,936
<b>NET BOOK VALUE</b>	
At 31 October 2007	156,555
	<hr/>
At 31 October 2006	175,627
	<hr/>

10. FIXED ASSET INVESTMENTS

	Unlisted invest-ments £
<b>COST OR VALUATION</b>	
At 1 November 2006	1,000
Disposals	(1,000)
	<hr/>
At 31 October 2007	-
	<hr/>

At 1 November 2006 the company held 23.5% of the Ordinary share capital of Design Seating Limited, a company incorporated in Great Britain. Design Seating Limited is a seating manufacturer. On 4 September 2007 the company sold its holding in Design Seating Limited for £37,113.

**CITY OFFICE INTERIORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 2007

**11. STOCKS**

	2007 £	2006 £
Work in progress	96,152	119,559

The difference between purchase price or production cost of stocks and their replacement cost is not material

**12. DEBTORS**

	2007 £	2006 £
Trade debtors	2,160,202	1,727,462
Other debtors	299,934	282,622
Prepayments and accrued income	87,175	70,637
Deferred tax asset (see note 14)	10,000	3,000
	<u>2,557,311</u>	<u>2,083,721</u>

**13. CREDITORS.  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade creditors	2,799,613	2,434,179
Corporation tax	128,000	68,000
Social security and other taxes	151,888	174,610
Accruals and deferred income	883,409	721,108
	<u>3,962,910</u>	<u>3,397,897</u>

**14. DEFERRED TAX ASSET**

	2007 £	2006 £
At 1 November 2006	3,000	9,000
Released during/(charged for) the year	7,000	(6,000)
At 31 October 2007	<u>10,000</u>	<u>3,000</u>



**CITY OFFICE INTERIORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 2007

**14 DEFERRED TAX ASSET (continued)**

The deferred tax asset is made up as follows

	2007 £	2006 £
Accelerated capital allowances	<u>(10,000)</u>	<u>3,000</u>

**15. SHARE CAPITAL**

	2007 £	2006 £
<b>AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**16 RESERVES**

	Profit and loss account £
At 1 November 2006	819,129
Profit for the year	340,556
Dividends Equity capital	(200,000)
	<u>959,685</u>
At 31 October 2007	

**17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2007 £	2006 £
Opening shareholders' funds	829,129	672,821
Prior year adjustments (note 19)		100,000
		<u>772,821</u>
Opening shareholders' funds (as restated)		
Profit for the year	340,556	256,308
Dividends (Note 18)	(200,000)	(200,000)
	<u>969,685</u>	<u>829,129</u>
Closing shareholders' funds		

**CITY OFFICE INTERIORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 2007

**18 DIVIDENDS**

	2007 £	2006 £
Dividends paid on equity capital	<u>200,000</u>	<u>200,000</u>

At the year end there are proposed dividends of £150,000

**19. PRIOR YEAR ADJUSTMENT**

In 2006 the company adopted the provisions of FRS 21 'Events after the balance sheet date' by which final dividends proposed by the Board and unpaid at the end of the year are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid. This represents a change in policy from that of recognising dividends in the year for which they are proposed. The previously published figures at 31 October 2005 were restated. This resulted in the dividend balance being reduced by £100,000 with a corresponding decrease in creditors less than one year. These changes resulted in shareholders funds increasing from £672,821 to £772,821 in 2005.

**20 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Operating profit	362,825	265,773
Depreciation of tangible fixed assets	66,742	61,688
Profit on disposal of tangible fixed assets	(3,834)	(22,969)
Decrease/(increase) in stocks	23,407	(76,647)
Increase in debtors	(466,589)	(948,825)
Increase in creditors	505,012	1,744,623
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u><u>487,563</u></u>	<u><u>1,023,643</u></u>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2007 £	2006 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	61,626	64,326
Interest paid	(18)	(32)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u><u>61,608</u></u>	<u><u>64,294</u></u>

**CITY OFFICE INTERIORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 2007

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2007 £	2006 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(55,536)	(135,291)
Sale of tangible fixed assets	11,700	43,749
Sale of unlisted and other investments	37,113	-
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<u>(6,723)</u>	<u>(91,542)</u>

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

	1 November 2006 £	Cash flow £	Other non-cash changes £	31 October 2007 £
Cash at bank and in hand	1,847,119	275,458	-	2,122,577
<b>NET FUNDS</b>	<u>1,847,119</u>	<u>275,458</u>	<u>-</u>	<u>2,122,577</u>

**23. PENSION COMMITMENTS**

The company contributes to individuals' personal pension plans and the pension cost charge for the year was £66,922 (2006 £50,510). Contributions totalling £10,149 (2006 £12,958) were payable at the balance sheet date and are included in accruals.

**24. OPERATING LEASE COMMITMENTS**

At 31 October 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2007 £	2006 £	Other 2007 £	2006 £
<b>EXPIRY DATE.</b>				
Between 2 and 5 years	22,500	21,900	709	1,296
After more than 5 years	12,434	12,434	-	-

**25. RELATED PARTY TRANSACTIONS**

During the year the company made purchases of £2,513 (2006 £5,312) from its associated undertaking Design Seating Limited before selling its shares on 4 September 2007.

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**CITY OFFICE INTERIORS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 October 2007

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**26 CONTROLLING PARTY**

The controlling party is S D Spires by virtue of his majority holding in the share capital of the company