
CITY OFFICE INTERIORS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 October 2015

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CITY OFFICE INTERIORS LIMITED

COMPANY INFORMATION

DIRECTORS	D C Brown D J Crabb S D Spires
COMPANY SECRETARY	D C Brown
REGISTERED NUMBER	01854684
REGISTERED OFFICE	Albany House Hurst Street Birmingham B5 4BD
INDEPENDENT AUDITORS	Clement Keys LLP No. 8 Calthorpe Road Edgbaston Birmingham B15 1QT

CITY OFFICE INTERIORS LIMITED

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CITY OFFICE INTERIORS LIMITED

DIRECTORS' REPORT for the year ended 31 October 2015

The directors present their report and the audited financial statements for the year ended 31 October 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIVIDENDS

Dividends of £250,000 (2014: £250,000) were paid during the year. The directors do not propose the payment of a further dividend.

DIRECTORS

The directors who served during the year were:


D C Brown
D J Crabb
S D Spires

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 21 April 2016 and signed on its behalf.


D C Brown
Secretary

CITY OFFICE INTERIORS LIMITED

STRATEGIC REPORT for the year ended 31 October 2015

INTRODUCTION

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.

The following review aims to present a balanced and comprehensive report on the development and performance of the business whilst also considering the risks and uncertainties being faced.

BUSINESS REVIEW

The results for the year as shown on page 5 and the financial position of the Company shown on page 6, are in line with the director's expectations.

Shareholder's funds at the year end totalled £1,417,665 (2014: £1,336,970). The Company has net current assets of £1,225,474 (2014: £1,217,668) with cash and bank balances totalling £2,987,961 (2014: £2,868,574)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties currently affecting the Company arise from the stability in the general economy and its knock-on effect to the take up of commercial office space, pressures on margins and the availability of skilled labour as demand within the sector increases.

The Company has witnessed a sluggish start to 2016. Nevertheless, the Directors are confident that our strategy of building long term relationships with both our clients and suppliers alike, will ensure that we are ideally placed to meet the challenges that lie ahead.

FINANCIAL KEY PERFORMANCE INDICATORS

	2015	2014
Turnover	£9,535,473	£9,134,983
Gross Profit	£2,269,443	£2,060,058
Gross Profit %	23.8%	22.6%

Boosted by improved market conditions and a healthy opening secured order book, the Company's turnover increased by 4.4%. Gross margin also improved by 1.2% as the Company continued to focus its attention on higher return opportunities and by working closely with its supply chain partners to deliver greater efficiencies.

This report was approved by the board on 21 April 2016 and signed on its behalf.


D.C Brown
Director

CITY OFFICE INTERIORS LIMITED

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

We have audited the financial statements of City Office Interiors Limited for the year ended 31 October 2015, set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CITY OFFICE INTERIORS LIMITED

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ross Cocker FCA (Senior statutory auditor)

for and on behalf of
Clement Keys LLP

Statutory Auditors

No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

21 April 2016

CITY OFFICE INTERIORS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 October 2015

	Note	2015 £	2014 £
TURNOVER	1,2	9,535,473	9,134,983
Cost of sales		<u>(7,266,030)</u>	<u>(7,074,925)</u>
GROSS PROFIT		2,269,443	2,060,058
Administrative expenses		<u>(1,896,341)</u>	<u>(1,680,029)</u>
OPERATING PROFIT	3	373,102	380,029
Interest receivable and similar income		10,248	13,993
Interest payable and similar charges	6	<u>-</u>	<u>(6)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		383,350	394,016
Tax on profit on ordinary activities	7	<u>(82,655)</u>	<u>(93,653)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>300,695</u>	<u>300,363</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 16 form part of these financial statements.

CITY OFFICE INTERIORS LIMITED
Registered number: 01854684

BALANCE SHEET
as at 31 October 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	177,191	136,302
CURRENT ASSETS			
Stocks	9	159,483	164,117
Debtors	10	1,492,765	1,578,756
Cash at bank and in hand		2,987,961	2,868,574
		<u>4,640,209</u>	<u>4,611,447</u>
CREDITORS: amounts falling due within one year	11	<u>(3,399,735)</u>	<u>(3,380,779)</u>
NET CURRENT ASSETS		<u>1,240,474</u>	<u>1,230,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,417,665</u></u>	<u><u>1,366,970</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	10,000	10,000
Profit and loss account	14	1,407,665	1,356,970
SHAREHOLDERS' FUNDS	15	<u><u>1,417,665</u></u>	<u><u>1,366,970</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 April 2016.



S D Spires
Director

The notes on pages 8 to 16 form part of these financial statements.

CITY OFFICE INTERIORS LIMITED

CASH FLOW STATEMENT
for the year ended 31 October 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	17	542,045	1,406,173
Returns on investments and servicing of finance	18	10,248	13,987
Taxation		(90,656)	(77,653)
Capital expenditure and financial investment	18	(92,250)	(89,263)
Equity dividends paid		(250,000)	(250,000)
INCREASE IN CASH IN THE YEAR		119,387	1,003,244

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 31 October 2015

	2015 £	2014 £
Increase in cash in the year	119,387	1,003,244
MOVEMENT IN NET DEBT IN THE YEAR	119,387	1,003,244
Net funds at 1 November 2014	2,868,574	1,865,330
NET FUNDS AT 31 OCTOBER 2015	2,987,961	2,868,574

The notes on pages 8 to 16 form part of these financial statements.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2015

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.

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, 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 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account 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.

1.5 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 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.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 PENSIONS

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

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):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	65,429	56,318
Auditors' remuneration	7,850	8,100
Profit on sale of tangible assets	(14,068)	(29,112)
Operating lease rentals - plant and equipment	1,225	1,087
Operating lease rentals - land and buildings	26,147	26,882
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,388,715	1,244,028
Social security costs	181,856	162,551
Other pension costs	85,279	72,747
	<u> </u>	<u> </u>
	<u>1,655,850</u>	<u>1,479,326</u>

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

4. STAFF COSTS (continued)

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

	2015 No.	2014 No.
Office and Management	<u>9</u>	<u>9</u>

5. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>1,165,664</u>	<u>1,046,376</u>
Company pension contributions to defined contribution pension schemes	<u>78,603</u>	<u>64,785</u>

During the year retirement benefits were accruing to 3 directors (2014 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £972,679 (2014 - £855,878).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,345 (2014 - £14,789).

6. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	<u>-</u>	<u>6</u>

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

7. TAXATION

	2015 £	2014 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	85,000	91,000
Adjustments in respect of prior periods	(345)	(347)
TOTAL CURRENT TAX	<u>84,655</u>	<u>90,653</u>
DEFERRED TAX (see note 12)		
Origination and reversal of timing differences	(2,000)	3,000
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u><u>82,655</u></u>	<u><u>93,653</u></u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>383,350</u>	<u>394,016</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	76,670	82,743
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,440	3,462
Capital allowances for year in excess of depreciation	2,699	(2,113)
Adjustments to tax charge in respect of prior periods	(345)	(347)
Changes in provisions leading to an increase (decrease) in the tax charge	(365)	7,803
Change in tax rate from 21% to 20%	1,747	3,621
Marginal relief	(1,115)	(4,854)
Tax over/(under) provided	(76)	338
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u><u>84,655</u></u>	<u><u>90,653</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

8. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures & fittings £	Total £
COST			
At 1 November 2014	229,848	74,091	303,939
Additions	152,223	5,727	157,950
Disposals	(119,207)	(10,808)	(130,015)
At 31 October 2015	<u>262,864</u>	<u>69,010</u>	<u>331,874</u>
DEPRECIATION			
At 1 November 2014	99,287	68,350	167,637
Charge for the year	63,576	1,853	65,429
On disposals	(67,575)	(10,808)	(78,383)
At 31 October 2015	<u>95,288</u>	<u>59,395</u>	<u>154,683</u>
NET BOOK VALUE			
At 31 October 2015	<u>167,576</u>	<u>9,615</u>	<u>177,191</u>
At 31 October 2014	<u>130,561</u>	<u>5,741</u>	<u>136,302</u>

9. STOCKS

	2015 £	2014 £
Work in progress	<u>159,483</u>	<u>164,117</u>

10. DEBTORS

	2015 £	2014 £
Trade debtors	1,028,293	1,219,422
Other debtors	370,731	295,923
Prepayments and accrued income	78,741	50,411
Deferred tax asset (see note 12)	15,000	13,000
	<u>1,492,765</u>	<u>1,578,756</u>

CITY OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015**

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

	2015 £	2014 £
Trade creditors	1,641,934	1,992,242
Corporation tax	85,000	91,000
Other taxation and social security	223,184	86,673
Accruals and deferred income	1,449,617	1,210,864
	<u>3,399,735</u>	<u>3,380,779</u>

12. DEFERRED TAX ASSET

	2015 £	2014 £
At beginning of year	13,000	16,000
Credited during/(released for) the year	2,000	(3,000)
At end of year	<u>15,000</u>	<u>13,000</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>15,000</u>	<u>13,000</u>

13. SHARE CAPITAL

	2015 £	2014 £
ALLOTTED, CALLED UP AND FULLY PAID		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14. RESERVES

	Profit and loss account £
At 1 November 2014	1,356,970
Profit for the financial year	300,695
Dividends: Equity capital	(250,000)
At 31 October 2015	<u>1,407,665</u>

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	1,366,970	1,316,607
Profit for the financial year	300,695	300,363
Dividends (Note 16)	(250,000)	(250,000)
Closing shareholders' funds	<u>1,417,665</u>	<u>1,366,970</u>

16. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>250,000</u>	<u>250,000</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	373,102	380,029
Depreciation of tangible fixed assets	65,429	56,318
Profit on disposal of tangible fixed assets	(14,068)	(29,112)
Decrease/(increase) in stocks	4,634	(77,976)
Decrease/(increase) in debtors	90,870	(780,085)
Increase in creditors	22,078	1,856,999
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u><u>542,045</u></u>	<u><u>1,406,173</u></u>

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	10,248	13,993
Interest paid	-	(6)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>10,248</u>	<u>13,987</u>
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(157,950)	(141,263)
Sale of tangible fixed assets	65,700	52,000
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(92,250)</u>	<u>(89,263)</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 November 2014 £	Cash flow £	Other non-cash changes £	31 October 2015 £
Cash at bank and in hand	2,868,574	119,387	-	2,987,961
NET FUNDS	<u>2,868,574</u>	<u>119,387</u>	<u>-</u>	<u>2,987,961</u>

20. CONTINGENT LIABILITIES

Performance guarantees of £Nil (2014: £184,965) in respect of contracts for refurbishment and fit-out works are held by Lloyds Bank Plc.

21. PENSION COMMITMENTS

The company contributes to individuals' personal pension plans and the pension cost charge for the year was £85,279 (2014: £72,747). Contributions totalling £44,380 (2014: £46,204) were payable at the balance sheet date and are included in accruals.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2015

22. OPERATING LEASE COMMITMENTS

At 31 October 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
EXPIRY DATE:				
Within 1 year	11,734	11,734	-	-
Between 2 and 5 years	-	-	1,203	844

23. CONTROLLING PARTY

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