
CITY OFFICE INTERIORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016



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

PKF Cooper Parry Group Limited
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

CITY OFFICE INTERIORS LIMITED

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CITY OFFICE INTERIORS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

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 £1,488,111 (2015: £1,417,665). The Company has net current assets of £1,334,875 (2015: £1,240,474) with cash and bank balances totalling £2,847,950 (2015: £2,987,961).


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.

Financial key performance indicators

	2016	2015
Turnover	£9,565,830	£9,535,473
Gross Profit	£2,596,950	£2,269,443
Gross Profit %	27.1%	23.8%

This report was approved by the board on 6 April 2017 and signed on its behalf.



D C Brown
Director

CITY OFFICE INTERIORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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.

Results and dividends

The profit for the year, after taxation, amounted to £320,446 (2015 - £300,695).

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

CITY OFFICE INTERIORS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

Auditors

The business of Clement Keys LLP merged with PKF Cooper Parry Group Limited on 8 January 2016. Clement Keys LLP has resigned as auditor and the merged firm, PKF Cooper Parry Group Limited, has been appointed in its place.

This report was approved by the board on 6 April 2017 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 2016, set out on pages 6 to 22. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 2, 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 Financial Reporting Council'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 2016 and of its profit or loss 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 those financial statements.

CITY OFFICE INTERIORS LIMITED

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

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
PKF Cooper Parry Group Limited

No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

6 April 2017

CITY OFFICE INTERIORS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Note	2016 £	2015 £
Turnover	4	9,565,830	9,535,473
Cost of sales		(6,968,880)	(7,266,030)
Gross profit		<u>2,596,950</u>	<u>2,269,443</u>
Administrative expenses		(2,198,556)	(1,896,341)
Operating profit	5	398,394	373,102
Interest receivable and similar income	8	10,122	10,248
Interest payable and expenses	9	(7)	-
Profit before tax		<u>408,509</u>	<u>383,350</u>
Tax on profit	10	(88,063)	(82,655)
Profit for the year		<u><u>320,446</u></u>	<u><u>300,695</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 10 to 22 form part of these financial statements.

CITY OFFICE INTERIORS LIMITED
REGISTERED NUMBER: 01854684

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets		153,236	177,191
Current assets			
Stocks	13	64,308	159,483
Debtors: amounts falling due within one year	14	2,236,229	1,492,765
Cash at bank and in hand		2,847,950	2,987,961
		<u>5,148,487</u>	<u>4,640,209</u>
Creditors: amounts falling due within one year	15	(3,813,612)	(3,399,735)
Net current assets		<u>1,334,875</u>	<u>1,240,474</u>
Total assets less current liabilities		<u>1,488,111</u>	<u>1,417,665</u>
Net assets		<u><u>1,488,111</u></u>	<u><u>1,417,665</u></u>
Capital and reserves			
Called up share capital	18	10,000	10,000
Profit and loss account	19	1,478,111	1,407,665
		<u><u>1,488,111</u></u>	<u><u>1,417,665</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 April 2017.



S D Spires

Director

The notes on pages 10 to 22 form part of these financial statements.

CITY OFFICE INTERIORS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2014	10,000	1,356,970	1,366,970
Comprehensive income for the year			
Profit for the year	-	300,695	300,695
Dividends: Equity capital	-	(250,000)	(250,000)
At 1 November 2015	10,000	1,407,665	1,417,665
Comprehensive income for the year			
Profit for the year	-	320,446	320,446
Dividends: Equity capital	-	(250,000)	(250,000)
At 31 October 2016	<u>10,000</u>	<u>1,478,111</u>	<u>1,488,111</u>

CITY OFFICE INTERIORS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	320,446	300,695
Adjustments for:		
Depreciation of tangible assets	68,984	65,429
Loss on disposal of tangible assets	(4,421)	(14,068)
Interest paid	7	-
Interest received	(10,123)	(10,248)
Taxation charge	88,063	82,655
Decrease in stocks	95,175	4,634
(Increase)/decrease in debtors	(738,465)	87,991
Increase in creditors	405,879	24,954
Corporation tax (paid)	(85,062)	(90,653)
Net cash generated from operating activities	<u>140,483</u>	<u>451,389</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(77,510)	(157,950)
Sale of tangible fixed assets	36,901	65,700
Interest received	10,122	10,248
Net cash from investing activities	<u>(30,487)</u>	<u>(82,002)</u>
Cash flows from financing activities		
Dividends paid	(250,000)	(250,000)
Interest paid	(7)	-
Net cash used in financing activities	<u>(250,007)</u>	<u>(250,000)</u>
Net (decrease)/increase in cash and cash equivalents	(140,011)	119,387
Cash and cash equivalents at beginning of year	2,987,961	2,868,574
Cash and cash equivalents at the end of year	<u><u>2,847,950</u></u>	<u><u>2,987,961</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,847,950	2,987,961
	<u><u>2,847,950</u></u>	<u><u>2,987,961</u></u>

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1. General information

City Office Interiors Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on page 1.

The financial statement are prepared in sterling (£). The financial statements are for a period of 52 weeks ended 31 October 2016 (2015: 52 weeks ended 31 October 2015).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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	- 25% straight line
Fixtures and fittings	- 10 - 20% straight line

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.

2.4 Stocks

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.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss..

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 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.

2.12 Interest income

Interest income is recognised in the Profit and Loss using the effective interest method.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

2. Accounting policies (continued)

2.13 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.

2.14 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.

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

- Leases

Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- Depreciation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

- Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom..

CITY OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	68,984	65,429
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,100	7,850
Operating lease rentals - plant and equipment	1,229	1,225
Operating lease rentals - land and buildings	25,941	26,147
Defined contribution pension cost	68,385	85,279
Profit on sale of tangible fixed assets	(4,421)	(14,068)
	<u>68,984</u>	<u>65,429</u>

6. Employees

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

	2016	2015
	£	£
Wages and salaries	1,657,808	1,388,715
Social security costs	219,262	181,856
Cost of defined contribution scheme	68,385	85,279
	<u>1,945,455</u>	<u>1,655,850</u>

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

	2016	2015
	No.	No.
Office and management	<u>9</u>	<u>9</u>

CITY OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	1,415,384	1,165,664
Company contributions to defined contribution pension schemes	60,972	78,603
	<u>1,476,356</u>	<u>1,244,267</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,180,381 (2015 - £972,679).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,542 (2015 - £15,345).

8. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>10,122</u>	<u>10,248</u>

9. Interest payable and similar charges

	2016 £	2015 £
Other loan interest payable	<u>7</u>	<u>-</u>

CITY OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	93,000	85,000
Adjustments in respect of previous periods	63	(345)
	<u>93,063</u>	<u>84,655</u>
Total current tax	<u>93,063</u>	<u>84,655</u>
Deferred tax		
Origination and reversal of timing differences	(5,000)	(2,000)
Total deferred tax	<u>(5,000)</u>	<u>(2,000)</u>
Taxation on profit on ordinary activities	<u>88,063</u>	<u>82,655</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>408,509</u>	<u>383,350</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	81,702	76,670
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,402	5,440
Capital allowances for year in excess of depreciation	5,348	2,699
Adjustments to tax charge in respect of prior periods	63	(345)
Short term timing difference leading to an increase (decrease) in taxation	(5,000)	(2,000)
Changes in provisions leading to an increase (decrease) in the tax charge	111	(365)
Changes in tax rate from 21% to 20%	-	1,747
Marginal relief	-	(1,115)
Tax over/(under) provided	437	(76)
Total tax charge for the year	<u>88,063</u>	<u>82,655</u>

CITY OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2016 £	2015 £
Dividends paid on equity capital	250,000	250,000

12. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 November 2015	262,864	69,010	331,874
Additions	74,300	3,210	77,510
Disposals	(84,321)	(4,859)	(89,180)
At 31 October 2016	252,843	67,361	320,204
Depreciation			
At 1 November 2015	95,288	59,395	154,683
Charge for the period on owned assets	66,416	2,568	68,984
Disposals	(51,841)	(4,859)	(56,700)
At 31 October 2016	109,863	57,104	166,967
Net book value			
At 31 October 2016	142,980	10,257	153,237
At 31 October 2015	167,576	9,615	177,191

CITY OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

13. Stocks

	2016	2015
	£	£
Amounts recoverable on contracts	64,308	159,483

14. Debtors

	2016	2015
	£	£
Trade debtors	1,824,358	1,028,293
Other debtors	314,217	370,731
Prepayments and accrued income	77,654	78,741
Deferred taxation	20,000	15,000
	<u>2,236,229</u>	<u>1,492,765</u>

15. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	1,676,559	1,641,934
Corporation tax	93,000	85,000
Taxation and social security	269,110	223,184
Accruals and deferred income	1,774,943	1,449,617
	<u>3,813,612</u>	<u>3,399,735</u>

CITY OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,847,950	2,987,961
Financial assets that are debt instruments measured at amortised cost	2,138,575	1,399,024
	<u>4,986,525</u>	<u>4,386,985</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,451,503)	(3,091,550)
	<u>(3,451,503)</u>	<u>(3,091,550)</u>

Financial assets are recognised when the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

Financial assets measured at undiscounted amount receivable comprise, cash at bank and in hand, trade debtors and amounts owed by group undertakings.

Financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair values.

Financial liabilities measured at undiscounted amount payable comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

17. Deferred tax asset

	2016 £
At beginning of year	15,000
Credited to profit or loss	5,000
At end of year	<u>20,000</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>20,000</u>	<u>15,000</u>

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	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

Includes all current and prior period retained profits and losses.

The company contributes to individuals' personal pension plans and the pension cost charge for the year was £68,385 (2015: £85,279). Contributions totalling £44,935 (£44,380) were payable at the balance sheet date and are included in accruals.

At 31 October 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	11,734	11,734
	<u>11,734</u>	<u>11,734</u>
	<u><u>11,734</u></u>	<u><u>11,734</u></u>

	2016 £	2015 £
Not later than 1 year	1,203	1,203
Later than 1 year and not later than 5 years	3,089	4,289
	<u>4,292</u>	<u>5,492</u>
	<u><u>4,292</u></u>	<u><u>5,492</u></u>

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

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23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.