

COMPANY REGISTRATION NUMBER SC220163

**FURNITURE@WORK LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**30 SEPTEMBER 2003**

**CHEETHAM & CO**

Chartered Accountants & Registered Auditors

Homelea House  
Faith Avenue  
Quarriers Village  
Bridge of Weir  
Renfrewshire  
PA11 3SX



# **FURNITURE@WORK LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 SEPTEMBER 2003**

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# FURNITURE@WORK LIMITED

## THE DIRECTOR'S REPORT

### YEAR ENDED 30 SEPTEMBER 2003

The director has pleasure in presenting his report and the financial statements of the company for the year ended 30 September 2003.

#### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the period was the sale of office products.

The director is satisfied with the results for the year. The company concentrated on growth in the year significantly increasing the customer database for the future. This increased growth was achieved following high marketing expenditure resulting in a small loss of £83,714.

The director believes that the financial statements represent a fair review of the business.

#### RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

#### THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At	At
	30 September 2003	1 October 2002
Michael Philp	<u>30,000</u>	<u>30,000</u>

#### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the director is required to:

select suitable accounting policies, as described on page 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

**FURNITURE@WORK LIMITED**

**THE DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 30 SEPTEMBER 2003**

**AUDITORS**

A resolution to re-appoint Cheetham & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Holmlea House, Faith Avenue  
Quarrier's Village  
Bridge of Weir  
PA11 3SX

Signed by

A handwritten signature in black ink, appearing to read 'M Philp', with a long, sweeping flourish extending upwards and to the right.

MICHAEL PHILP  
Director

Approved by the director on 15 July 2004

**FURNITURE@WORK LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**FURNITURE@WORK LIMITED**  
**YEAR ENDED 30 SEPTEMBER 2003**

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 United Kingdom Auditing Standards 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 judgements made by the director 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.

**FURNITURE@WORK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
FURNITURE@WORK LIMITED *(continued)***

**YEAR ENDED 30 SEPTEMBER 2003**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**CHEETHAM & CO**  
Chartered Accountants  
& Registered Auditors

Homelea House  
Faith Avenue  
Quarriers Village  
Bridge of Weir  
Renfrewshire  
PA11 3SX

15 July 2004

**FURNITURE@WORK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2003**

	Note	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
<b>TURNOVER</b>	<b>2</b>	<b>16,255,349</b>	<b>8,001,748</b>
Cost of sales		<u>12,285,691</u>	<u>5,609,610</u>
<b>GROSS PROFIT</b>		<b>3,969,658</b>	<b>2,392,138</b>
Distribution Costs		3,413,842	1,737,926
Administrative expenses		<u>662,629</u>	<u>460,699</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(106,813)</b>	<b>193,513</b>
Interest receivable		24,592	8,520
Interest payable	<b>6</b>	<u>(1,493)</u>	<u>—</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(83,714)</b>	<b>202,033</b>
Tax on (loss)/profit on ordinary activities	<b>7</b>	<u>—</u>	<u>35,008</u>
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>(83,714)</b>	<b>167,025</b>
Balance brought forward		<u>167,025</u>	<u>—</u>
Balance carried forward		<u><b>83,311</b></u>	<u><b>167,025</b></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the  
year as set out above.

**FURNITURE@WORK LIMITED**  
**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**YEAR ENDED 30 SEPTEMBER 2003**

	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
(Loss)/Profit for the financial year	(83,714)	167,025
New equity share capital subscribed	<u>—</u>	<u>30,000</u>
Net (reduction)/addition to funds	(83,714)	197,025
Opening shareholders' equity funds	<u>197,025</u>	<u>—</u>
Closing shareholders' equity funds	<u>113,311</u>	<u>197,025</u>



**FURNITURE@WORK LIMITED****BALANCE SHEET****30 SEPTEMBER 2003**

	Note	2003 £	£	2002 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		69,014		17,596
<b>CURRENT ASSETS</b>					
Debtors	9	1,422,017		1,210,895	
Cash at bank		<u>1,134,654</u>		<u>758,540</u>	
		2,556,671		1,969,435	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>2,512,374</u>		<u>1,790,006</u>	
<b>NET CURRENT ASSETS</b>			<u>44,297</u>		<u>179,429</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>113,311</u>		<u>197,025</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	12		30,000		30,000
Profit and loss account			<u>83,311</u>		<u>167,025</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>113,311</u>		<u>197,025</u>

These financial statements were approved and signed by the director on 15 July 2004.

MICHAEL PHILP



**FURNITURE@WORK LIMITED****CASH FLOW STATEMENT****YEAR ENDED 30 SEPTEMBER 2003**

	Year to 30 Sep 03 £	£	Period from 13 Jun 01 to 30 Sep 02 £	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>441,706</b>		<b>745,415</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	24,592		8,520	
Interest paid	<u>(1,493)</u>		<u>—</u>	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>23,099</b>		<b>8,520</b>
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	<u>(88,691)</u>		<u>(25,395)</u>	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		<b>(88,691)</b>		<b>(25,395)</b>
<b>CASH INFLOW BEFORE FINANCING</b>		<b>376,114</b>		<b>728,540</b>
<b>FINANCING</b>				
Issue of equity share capital	<u>—</u>		<u>30,000</u>	
<b>NET CASH INFLOW FROM FINANCING</b>		<b>—</b>		<b>30,000</b>
<b>INCREASE IN CASH</b>		<b>376,114</b>		<b>758,540</b>
<b>RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>				

	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
Operating (loss)/profit	(106,813)	193,513
Depreciation	37,273	7,799
Increase in debtors	(211,122)	(1,210,895)
Increase in creditors	722,368	1,754,998
<b>Net cash inflow from operating activities</b>	<b>441,706</b>	<b>745,415</b>

**FURNITURE@WORK LIMITED****CASH FLOW STATEMENT** *(continued)***YEAR ENDED 30 SEPTEMBER 2003****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2003 £	2002 £
Increase in cash in the period	<u>376,114</u>	<u>758,540</u>
Movement in net funds in the period	<u>376,114</u>	<u>758,540</u>
Net funds at 1 October 2002	<u>758,540</u>	—
Net funds at 30 September 2003	<u>1,134,654</u>	<u>758,540</u>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Oct 2002 £	Cash flows £	At 30 Sep 2003 £
Net cash:			
Cash in hand and at bank	<u>758,540</u>	<u>376,114</u>	<u>1,134,654</u>
<b>Net funds</b>	<u>758,540</u>	<u>376,114</u>	<u>1,134,654</u>

**FURNITURE@WORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2003**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% straight line
Equipment	- 33.33% straight line

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**2. TURNOVER**

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	<b>Year to 30 Sep 03 £</b>	<b>Period from 13 Jun 01 to 30 Sep 02 £</b>
United Kingdom	<u>16,255,349</u>	<u>8,001,748</u>

**3. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging:

	<b>Year to 30 Sep 03 £</b>	<b>Period from 13 Jun 01 to 30 Sep 02 £</b>
Depreciation of owned fixed assets	37,273	7,799
Auditors' remuneration		
- as auditors	5,000	5,000
Operating lease costs:		
Land and buildings	<u>65,874</u>	<u>38,273</u>

**FURNITURE@WORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2003**

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	Year to 30 Sep 03 No	Period from 13 Jun 01 to 30 Sep 02 No
Number of administrative staff	<u>26</u>	<u>14</u>

The aggregate payroll costs of the above were:

	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
Wages and salaries	641,710	349,532
Social security costs	<u>55,956</u>	<u>28,578</u>
	<u>697,666</u>	<u>378,110</u>

**5. DIRECTOR'S EMOLUMENTS**

The director's aggregate emoluments in respect of qualifying services were:

	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
Emoluments receivable	<u>100,000</u>	<u>79,999</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
Other similar charges payable	<u>1,493</u>	<u>—</u>

**7. TAXATION ON ORDINARY ACTIVITIES**

	Year to 30 Sep 03 £	Period from 13 Jun 01 to 30 Sep 02 £
Current tax:		
UK Corporation tax based on the results for the year at -% (2002 - 17.33%)	—	35,008
Total current tax	<u>—</u>	<u>35,008</u>

**FURNITURE@WORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2003**

**8. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>			
At 1 October 2002	4,996	20,399	25,395
Additions	86	88,605	88,691
<b>At 30 September 2003</b>	<u>5,082</u>	<u>109,004</u>	<u>114,086</u>
<b>DEPRECIATION</b>			
At 1 October 2002	999	6,800	7,799
Charge for the year	40	37,233	37,273
<b>At 30 September 2003</b>	<u>1,039</u>	<u>44,033</u>	<u>45,072</u>
<b>NET BOOK VALUE</b>			
<b>At 30 September 2003</b>	<u>4,043</u>	<u>64,971</u>	<u>69,014</u>
At 30 September 2002	<u>3,997</u>	<u>13,599</u>	<u>17,596</u>

**9. DEBTORS**

	2003 £	2002 £
Trade debtors	1,050,299	917,967
Other debtors	331,824	3,461
Prepayments and accrued income	39,894	289,467
	<u>1,422,017</u>	<u>1,210,895</u>

**10. CREDITORS: Amounts falling due within one year**

	2003 £	2002 £
Trade creditors	2,192,441	1,496,935
Other creditors including taxation and social security:		
Corporation tax	35,008	35,008
Other taxation and social security	97,523	230,253
	<u>2,324,972</u>	<u>1,762,196</u>
Accruals and deferred income	187,402	27,810
	<u>2,512,374</u>	<u>1,790,006</u>

**11. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr Michael Philp throughout the current period. Mr Michael Philp is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**FURNITURE@WORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2003**

**12. SHARE CAPITAL**

**Authorised share capital:**

	2003 £	2002 £
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

**Allotted, called up and fully paid:**

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>