

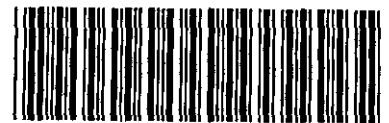
Furniture@Work Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2008

TUESDAY



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28/07/2009

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COMPANIES HOUSE

Furniture@Work Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Mr M Philp

SECRETARY

Mrs M Philp

REGISTERED OFFICE

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

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

BANKERS

Clydesdale Bank
30 St Vincent Place
Glasgow
G1 2HL

Furniture@Work Limited

DIRECTOR'S REPORT

The director submits his report and financial statements of Furniture@Work Limited for the year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company is the supply of Office Furniture to small and medium sized companies, all sectors of the government (Education, Councils, NHS) and the domestic home office market.

REVIEW OF THE BUSINESS

2008 was a record year for Furniture@Work Ltd. Turnover was £30.8mill which represented a 7% increase over 2007 and profit increased from £350K in 2007 to £401K in 2008, an increase of 14.6%. Gross margin and operating costs remained broadly the same as 2007. The increase in performance was due to improved productivity and deeper penetration of the customer base.

FUTURE DEVELOPMENTS

The Director has planned well ahead for the anticipated decline in the market place for 2009 due to the recession which has deeply affected the office products market in general.

The Director plans a reduction in operating costs in line with the revised 2009 sales forecast whilst protecting market share, margin and profitability as its primary objectives.

The company has a healthy debt free bank balance and has managed cash prudently over the past few years. The business is cash rich and well positioned to take advantage of market opportunities as they arise.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £400,805. The director has not recommended a dividend.

DIRECTOR

The director who served the company during the year was as follows:

Mr M Philp

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the business are general market conditions. The company has a high degree of flexibility built into its strategy to adapt and react quickly to market conditions.

Furniture@Work Limited

DIRECTOR'S REPORT

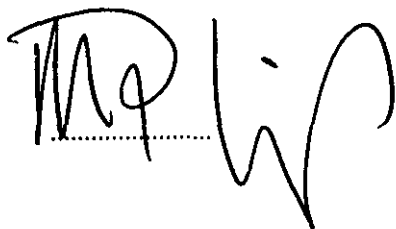
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditor are unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by

A handwritten signature in black ink, appearing to be 'M Philp', written over a dotted line.

M Philp

Director

27/7/09

Furniture@Work Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the requirements of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FURNITURE@WORK LIMITED

We have audited the financial statements on pages 6 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

The director's responsibilities for preparing the Annual Report and 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 Director's 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 Director's 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 director's remuneration and other transactions 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 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 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.

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 30 September 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Breckenridge House

274 Sauchiehall Street

Glasgow G2 3EH

27th July 2009

Furniture@Work Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2008

		2008	2007
	Notes	£	£
TURNOVER	1	30,761,560	28,749,161
Cost of sales		<u>25,113,208</u>	<u>23,185,665</u>
Gross profit		5,648,352	5,563,496
Distribution costs		2,307,837	2,307,492
Administrative expenses		<u>3,132,732</u>	<u>3,098,716</u>
OPERATING PROFIT	2	207,783	157,288
Interest receivable		351,614	325,446
		<u>559,397</u>	<u>482,734</u>
Interest payable and similar charges	5	(13,070)	(9,113)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>546,327</u>	<u>473,621</u>
Taxation	6	145,522	123,895
PROFIT FOR THE FINANCIAL YEAR		<u>400,805</u>	<u>349,726</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Furniture@Work Limited

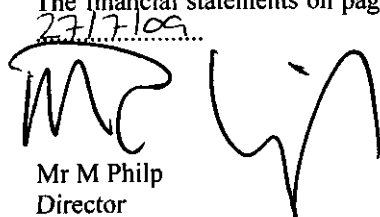
BALANCE SHEET

30 September 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	<u>246,660</u>	<u>274,665</u>
CURRENT ASSETS			
Debtors	8	3,551,693	3,328,969
Cash at bank and in hand		<u>6,150,782</u>	<u>6,163,668</u>
		9,702,475	9,492,637
CREDITORS			
Amounts falling due within one year	9	<u>7,956,896</u>	<u>8,172,949</u>
NET CURRENT ASSETS		<u>1,745,579</u>	<u>1,319,688</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,992,239	1,594,353
CREDITORS			
Amounts falling due after more than one year	10	<u>72,456</u>	<u>75,375</u>
		<u>1,919,783</u>	<u>1,518,978</u>
CAPITAL AND RESERVES			
Called up share capital	14	30,000	30,000
Profit and loss account	15	<u>1,889,783</u>	<u>1,488,978</u>
SHAREHOLDERS' FUNDS	16	<u>1,919,783</u>	<u>1,518,978</u>

The financial statements on pages 6 to 14 were approved and signed by the director and authorised for issue on

27/7/09



Mr M Philp
Director

Furniture@Work Limited

CASH FLOW STATEMENT for the year ended 30 September 2008

		2008 £	2007 £
Net cash flow from operating activities	Notes 17.a	(210,628)	1,587,899
Returns on investments and servicing of finance	17.b	338,544	316,333
Taxation	17.b	(123,895)	(177,586)
Capital expenditure and financial investment	17.b	(26,363)	(168,288)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(22,342)	1,558,358
Financing	17.b	9,456	(214,952)
(DECREASE)/INCREASE IN CASH IN THE PERIOD		(12,886)	1,343,406

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2008 £	2007 £
(Decrease)/increase in cash in the period		(12,886)	1,343,406
Net outflow from other short-term creditors		—	131,992
Cash outflow in respect of hire purchase and finance lease		(9,456)	82,960
Change in net funds	17.c	(22,342)	1,558,358
Net funds at 1 October 2007	17.c	6,005,359	4,447,001
Net funds at 30 September 2008	17.c	5,983,017	6,005,359

Furniture@Work Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods sold and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty.

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 - 33.33% straight line
Motor Vehicles	- 25% straight line
Equipment	- 20 - 33.33% straight line

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

FINANCE LEASE AGREEMENTS

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Furniture@Work Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>30,761,560</u>	<u>28,749,161</u>

2 OPERATING PROFIT

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	72,608	79,655
Depreciation of assets held under hire purchase and finance lease agreements	90,474	83,290
Auditor's remuneration		
- as auditor	8,000	10,518
Operating lease costs:		
- Plant and equipment	14,587	13,371
- Other	<u>64,008</u>	<u>103,125</u>

3 PARTICULARS OF EMPLOYEES

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

	2008 No	2007 No
Number of administrative staff	89	75
Number of management staff	3	13
	<u>92</u>	<u>88</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	1,843,695	1,594,347
Social security costs	129,515	111,167
	<u>1,973,210</u>	<u>1,705,514</u>

4 DIRECTOR'S EMOLUMENTS

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

	2008 £	2007 £
Emoluments receivable	<u>361,583</u>	<u>310,309</u>

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
On finance leases	<u>13,070</u>	<u>9,113</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 29% (2007 - 30%)	<u>145,522</u>	<u>123,895</u>
Total current tax	<u>145,522</u>	<u>123,895</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 29% (2007 - 30%), as explained below

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>546,327</u>	<u>473,621</u>
Profit on ordinary activities by rate of tax	158,435	142,086
Effects of:		
Expenses not deductible for tax purposes	-	231
Capital allowances for period in excess of depreciation	6,851	7,813
Marginal relief	<u>(19,764)</u>	<u>(26,235)</u>
Total current tax (note 6(a))	<u>145,522</u>	<u>123,895</u>

7 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1 October 2007	16,724	31,660	542,265	590,649
Additions	<u>2,609</u>	<u>-</u>	<u>132,468</u>	<u>135,077</u>
At 30 September 2008	<u>19,333</u>	<u>31,660</u>	<u>674,733</u>	<u>725,726</u>
Depreciation				
At 1 October 2007	12,445	23,745	279,794	315,984
Charge for the year	<u>2,808</u>	<u>7,915</u>	<u>152,359</u>	<u>163,082</u>
At 30 September 2008	<u>15,253</u>	<u>31,660</u>	<u>432,153</u>	<u>479,066</u>
Net book value				
At 30 September 2008	<u>4,080</u>	<u>-</u>	<u>242,580</u>	<u>246,660</u>
At 30 September 2007	<u>4,279</u>	<u>7,915</u>	<u>262,471</u>	<u>274,665</u>

Furniture@Work Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

7 TANGIBLE FIXED ASSETS *(continued)*

Hire purchase and finance lease agreements

Included within the net book value of £246,660 is £Nil (2007 - £7,915) relating to assets held under hire purchase agreements, and £168,989 (2007 - £150,749) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £Nil (2007 - £7,915), and £90,474 (2007 - £75,375) in respect of assets held under finance lease agreements.

8 DEBTORS

	2008 £	2007 £
Trade debtors	3,359,261	3,228,870
Other debtors	735	-
Prepayments and accrued income	191,697	100,099
	<u>3,551,693</u>	<u>3,328,969</u>

9 CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	6,947,762	7,245,410
Corporation tax	145,522	123,895
Other taxation and social security costs	352,636	254,955
Obligations under hire purchase and finance lease agreements	95,309	82,934
Other creditors	3,405	-
Accruals and deferred income	412,262	465,755
	<u>7,956,896</u>	<u>8,172,949</u>

10 CREDITORS: Amounts falling due after more than one year

	2008 £	2007 £
Obligations under hire purchase and finance lease agreements	<u>72,456</u>	<u>75,375</u>

11 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	2008 £	2007 £
Amounts payable within 1 year	95,309	82,934
Amounts payable between 1 and 2 years	36,226	75,375
Amounts payable between 3 and 5 years	36,230	-
	<u>167,765</u>	<u>158,309</u>

Furniture@Work Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

12 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	-	7,293	-	14,587
Within 2 to 5 years	37,800	-	37,800	7,293
	<u>37,800</u>	<u>7,293</u>	<u>37,800</u>	<u>21,880</u>

13 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 sole shareholder.

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

14 SHARE CAPITAL

	2008 £	2007 £
Authorised:		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
	2008 £	2007 £
Allotted, called up and fully paid:		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

15 PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
At 1 October 2007	1,488,978	1,139,252
Retained profit for the financial year	<u>400,805</u>	<u>349,726</u>
At 30 September 2008	<u>1,889,783</u>	<u>1,488,978</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	400,805	349,726
Opening shareholders' funds	<u>1,518,978</u>	<u>1,169,252</u>
Closing shareholders' funds	<u>1,919,783</u>	<u>1,518,978</u>

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

17 CASH FLOWS

a Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	207,783	157,288
Depreciation	163,082	162,945
Increase in debtors	(222,724)	(937,735)
(Decrease)/increase in creditors	(358,769)	2,205,401
Net cash (outflow)/inflow from operating activities	<u>(210,628)</u>	<u>1,587,899</u>

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2008	2007
	£	£
Interest received	351,614	325,446
Interest element of hire purchase and finance lease	(13,070)	(9,113)
Net cash inflow from returns on investments and servicing of finance	<u>338,544</u>	<u>316,333</u>

Taxation

	2008	2007
	£	£
Taxation	<u>(123,895)</u>	<u>(177,586)</u>

Capital expenditure

	2008	2007
	£	£
Payments to acquire tangible fixed assets	<u>(26,363)</u>	<u>(168,288)</u>
Net cash outflow from capital expenditure	<u>(26,363)</u>	<u>(168,288)</u>

Financing

	2008	2007
	£	£
Net outflow from other short-term creditors	—	(131,992)
Capital element of hire purchase and finance lease	<u>9,456</u>	<u>(82,960)</u>
Net cash inflow/(outflow) from financing	<u>9,456</u>	<u>(214,952)</u>

c Analysis of net funds

	At 1 Oct 2007	Cash flows	At 30 Sep 2008
	£	£	£
Cash in hand and at bank	6,163,668	(12,886)	6,150,782
Hire purchase and finance lease agreements	<u>(158,309)</u>	<u>(9,456)</u>	<u>(167,765)</u>
Total	<u>6,005,359</u>	<u>(22,342)</u>	<u>5,983,017</u>