

Furniture@Work Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2011

TUESDAY



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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 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company is the supply of office furniture to small and medium sized companies, the government and the home office market.

REVIEW OF THE BUSINESS

The Director anticipates the impact of the recession to continue further throughout 2012.

Furniture@Work Limited is financially stable, operating profitably, with no overdraft or loans and continues to operating with positive cash flow.

The business will continue to invest in its IT infrastructure, operating procedures and management training during the next financial year.

FUTURE DEVELOPMENTS

The company will continue to invest in its IT infrastructure, operating procedures and management in 2011 and with its strong profitable cash position the company is perfectly poised to take full advantage of the market place when it starts to grow again.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £465,690 (2010 - profit £690,568). Particulars of dividends paid are detailed in note 9 to the financial statements.

DIRECTOR

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

Mr M Philp

Mr M Philip owns 50% of the issued share capital.

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.

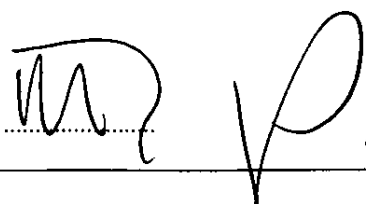
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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 is 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 has indicated its willingness to continue in office.

Signed by



22.03.12

M Philp

Director

Furniture@Work Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's 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).

Under company law the director 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 those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting 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 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 him to ensure that the financial statements comply with the Companies Act 2006. 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 5 to 15. 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 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

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2011 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



ALAN ATCHISON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Breckenridge House

274 Sauchiehall Street

Glasgow G2 3EH

26.03.12

Furniture@Work Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2011

		2011	2010
	<i>Notes</i>	£	£
TURNOVER	1	15,673,225	18,901,203
Cost of sales		11,824,569	14,537,966
Gross profit		3,848,656	4,363,237
Distribution costs		2,257,333	2,323,345
Administrative expenses		1,518,865	1,817,186
Other operating income	2	(530,177)	(685,327)
OPERATING PROFIT	3	602,635	908,033
Profit on disposal of fixed assets	6	3,757	500
		606,392	908,533
Interest receivable		28,684	33,302
		635,076	941,835
Interest payable and similar charges	7	(6,175)	(9,288)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		628,901	932,547
Taxation	8	163,211	241,979
PROFIT FOR THE FINANCIAL YEAR	19	465,690	690,568

The 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

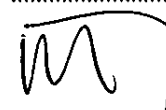
BALANCE SHEET

30 September 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	10	<u>255,376</u>	<u>232,694</u>
CURRENT ASSETS			
Debtors	11	1,565,607	1,789,786
Cash at bank and in hand		<u>4,142,670</u>	<u>5,733,257</u>
		5,708,277	7,523,043
CREDITORS			
Amounts falling due within one year	12	<u>4,963,303</u>	<u>6,172,555</u>
NET CURRENT ASSETS		<u>744,974</u>	<u>1,350,488</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,000,350</u>	<u>1,583,182</u>
PROVISIONS FOR LIABILITIES	14	<u>19,338</u>	<u>—</u>
		<u>981,012</u>	<u>1,583,182</u>
CAPITAL AND RESERVES			
Called up share capital	18	30,000	30,000
Profit and loss account	19	<u>951,012</u>	<u>1,553,182</u>
SHAREHOLDERS' FUNDS	20	<u>981,012</u>	<u>1,583,182</u>

The financial statements on pages 5 to 15 were approved and signed by the director and authorised for issue on

22.03.12



Mr M Philp
Director



Furniture@Work Limited
CASH FLOW STATEMENT
for the year ended 30 September 2011

		2011	2010
	<i>Notes</i>	£	£
Net cash flow from operating activities	21.a	(139,676)	1,126,092
Returns on investments and servicing of finance	21.b	22,509	24,014
Taxation	21.b	(241,979)	(151,477)
Capital expenditure and financial investment	21.b	(139,414)	(179,193)
Equity dividends paid		(1,067,860)	(1,500,000)
CASH OUTFLOW BEFORE FINANCING		(1,566,420)	(680,564)
Financing	21.b	(24,167)	(36,250)
DECREASE IN CASH IN THE PERIOD		<u>(1,590,587)</u>	<u>(716,814)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		2011	2010
		£	£
Decrease in cash in the period		(1,590,587)	(716,814)
Cash outflow in respect of finance leases		24,167	36,250
Change in net funds	21.c	<u>(1,566,420)</u>	<u>(680,564)</u>
Net funds at the beginning of the year	21.c	5,709,090	6,389,654
Net funds at the end of the year	21.c	<u>4,142,670</u>	<u>5,709,090</u>

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 provided to customers.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed 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.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Furniture@Work Limited

ACCOUNTING POLICIES

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.

OTHER OPERATING INCOME

A provision is made for liabilities arising in respect of reconciling customer accounts. This is released to the profit and loss account in respect of accounts that have had no transaction history for the past 5 years.

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

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:

	2011	2010
	£	£
United Kingdom	<u>15,673,225</u>	<u>18,901,203</u>

2 OTHER OPERATING INCOME

	2011	2010
	£	£
Other operating income	<u>530,177</u>	<u>685,327</u>

3 OPERATING PROFIT

Operating profit is stated after charging:

	2011	2010
	£	£
Depreciation of owned fixed assets	99,350	93,932
Depreciation of assets held under finance lease agreements	21,139	36,238
Auditor's remuneration		
- as auditor	7,800	8,800
Operating lease costs:		
- Plant and equipment	4,092	4,636
- Other	<u>69,775</u>	<u>103,469</u>

4 PARTICULARS OF EMPLOYEES

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

	2011	2010
	No	No
Number of administrative staff	30	38
Number of management staff	3	3
	<u>33</u>	<u>41</u>

The aggregate payroll costs of the above were:

	2011	2010
	£	£
Wages and salaries	1,043,458	1,250,758
Social security costs	59,937	59,357
	<u>1,103,395</u>	<u>1,310,115</u>

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

5 DIRECTOR'S REMUNERATION

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

	2011	2010
	£	£
Remuneration receivable	<u>467,177</u>	<u>557,146</u>

6 PROFIT ON DISPOSAL OF FIXED ASSETS

	2011	2010
	£	£
Profit on disposal of fixed assets	<u>3,757</u>	<u>500</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
On finance leases	<u>6,175</u>	<u>9,288</u>

8 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 27% (2010 - 28%)	<u>143,873</u>	<u>241,979</u>
Total current tax	<u>143,873</u>	<u>241,979</u>
Deferred tax:		
Origination and reversal of timing differences	<u>19,338</u>	<u>-</u>
Tax on profit on ordinary activities	<u>163,211</u>	<u>241,979</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 27% (2010 - 28%), as explained below

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>628,901</u>	<u>932,547</u>
Profit on ordinary activities by rate of tax	169,786	261,113
Effects of:		
Expenses not deductible for tax purposes	1,965	6,509
Capital allowances for period in excess of depreciation	(13,058)	(15,171)
Marginal relief	(14,820)	(10,472)
Total current tax (note 8(a))	<u>143,873</u>	<u>241,979</u>

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

9 DIVIDENDS

Equity dividends

	2011 £	2010 £
Paid during the year:		
Dividends on equity shares £35.60 (2010: £50.00)	<u>1,067,860</u>	<u>1,500,000</u>

10 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1 October 2010	33,820	17,988	978,342	1,030,150
Additions	212	9,905	142,788	152,905
Disposals	—	(17,988)	—	(17,988)
At 30 September 2011	<u>34,032</u>	<u>9,905</u>	<u>1,121,130</u>	<u>1,165,067</u>
Depreciation				
At 1 October 2010	20,868	7,495	769,093	797,456
Charge for the year	5,487	2,832	112,170	120,489
On disposals	—	(8,254)	—	(8,254)
At 30 September 2011	<u>26,355</u>	<u>2,073</u>	<u>881,263</u>	<u>909,691</u>
Net book value				
At 30 September 2011	<u>7,677</u>	<u>7,832</u>	<u>239,867</u>	<u>255,376</u>
At 30 September 2010	<u>12,952</u>	<u>10,493</u>	<u>209,249</u>	<u>232,694</u>

Finance lease agreements

Included within the net book value of £255,376 is £Nil (2010 - £21,139) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £21,139 (2010 - £36,238).

11 DEBTORS

	2011 £	2010 £
Trade debtors	1,401,622	1,597,732
Other debtors	—	864
Prepayments and accrued income	<u>163,985</u>	<u>191,190</u>
	<u>1,565,607</u>	<u>1,789,786</u>

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

12 CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	4,295,172	4,893,217
Corporation tax	143,873	241,979
Other taxation and social security	164,154	231,793
Obligations under finance lease agreements	—	24,167
Accruals and deferred income	360,104	781,399
	<u>4,963,303</u>	<u>6,172,555</u>

13 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2011	2010
	£	£
Amounts payable within 1 year	—	24,167
	<u>—</u>	<u>24,167</u>

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£
Profit and Loss Account movement arising during the year	19,338
Balance carried forward	<u>19,338</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	19,338	—
	<u>19,338</u>	<u>—</u>

15 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>57,957</u>	<u>28,870</u>

16 RELATED PARTY TRANSACTIONS

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

17 ULTIMATE CONTROLLING PARTY

There is no individual controlling party by virtue of individual shareholdings.

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

18 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid: 30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

19 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At the beginning of the year	1,553,182	2,362,614
Profit for the financial year	465,690	690,568
Dividends	<u>(1,067,860)</u>	<u>(1,500,000)</u>
At the end of the year	<u>951,012</u>	<u>1,553,182</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	465,690	690,568
Dividends	<u>(1,067,860)</u>	<u>(1,500,000)</u>
Net reduction to shareholders' funds	(602,170)	(809,432)
Opening shareholders' funds	<u>1,583,182</u>	<u>2,392,614</u>
Closing shareholders' funds	<u>981,012</u>	<u>1,583,182</u>

21 CASH FLOWS

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

	2011 £	2010 £
Operating profit	602,635	908,033
Depreciation	120,489	130,170
Decrease in debtors	224,179	251,030
Decrease in creditors	<u>(1,086,979)</u>	<u>(163,141)</u>
Net cash (outflow)/inflow from operating activities	<u>(139,676)</u>	<u>1,126,092</u>

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

Returns on investment and servicing of finance

	2011 £	2010 £
Interest received	28,684	33,302
Interest element of finance leases	<u>(6,175)</u>	<u>(9,288)</u>
Net cash inflow from returns on investments and servicing of finance	<u>22,509</u>	<u>24,014</u>

Taxation

	2011 £	2010 £
Taxation	<u>(241,979)</u>	<u>(151,477)</u>

Furniture@Work Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

21 CASH FLOWS *(continued)*

Capital expenditure

	2011	2010
	£	£
Payments to acquire tangible fixed assets	(152,905)	(179,693)
Receipts from sale of fixed assets	13,491	500
Net cash outflow from capital expenditure	<u>(139,414)</u>	<u>(179,193)</u>

Financing

	2011	2010
	£	£
Capital element of finance leases	(24,167)	(36,250)
Net cash outflow from financing	<u>(24,167)</u>	<u>(36,250)</u>

c Analysis of net funds

	At 1 Oct 2010	Cash flows	At 30 Sep 2011
	£	£	£
Cash in hand and at bank	5,733,257	(1,590,587)	4,142,670
Finance lease agreements	<u>(24,167)</u>	<u>24,167</u>	<u>—</u>
Total	<u>5,709,090</u>	<u>(1,566,420)</u>	<u>4,142,670</u>