

Registered number
2086413

EUROTEK OFFICE FURNITURE LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009



EUROTEK OFFICE FURNITURE LIMITED

COMPANY INFORMATION

Directors

R C Lee
T J Kuhler
R J Vasey
A P Gwennap
A L Roberts

Secretary

R C Lee

Auditor

Spofforths LLP
A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Registered office

DA/DB Southern Cross Trading Estate
Steyning Way
Bognor Regis
West Sussex
PO22 9SB

Registered number

2086413

EUROTEK OFFICE FURNITURE LIMITED

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EUROTEK OFFICE FURNITURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and audited financial statements for the year ended 31 March 2009.

Principal activities

The company's principal activity during the year continued to be the manufacture, distribution and installation of office furniture.

Directors

The directors who served during the year were as follows:

R C Lee
T J Kuhler
R J Vasey
A P Gwennap
A L Roberts

Review of the business

The company is principally engaged in the manufacture, distribution and installation of office furniture. We are unable to report a profit on the trading year.

During this difficult, global, economic downturn we have managed to maintain and grow turnover, marginally on the previous year. However, due to the final 6 months trading of our financial year being very difficult, our margin levels dropped significantly and were severely eroded, resulting in a loss for the year in a difficult trading market. However, Eurotek have continued to source better and find new markets and opportunities within the Public Sector in which to grow the business. Investments in plant and machinery have continued and cash in the business remains strong. In line with the reduction in the requirement for office furniture in the UK, Eurotek have reduced the work force and costs accordingly, whilst trying to maintain the same turnover levels and margins of the previous year.

Results and dividends

The loss for the year, after taxation, amounted to £361,255 (2008: £202,920 profit). The directors did not recommend an ordinary dividend during the year.

Future developments

The company is now set to significantly increase its profile with the opening of a 4,500sq ft showroom in Clerkenwell London in October 2009. This will significantly increase our exposure to current and new businesses alike both on the trade side and particularly Public Sector. Our competitive tendering continues to pay off and we have won various major contracts in Central Government, the National Health Services and the Education Sector. This has become an important part of our business plan as we set out our stall to continue to expand our sales into new business sectors. The new London showroom will also enhance our opportunities with exports for foreign visitors who visit London, from export drives and exhibitions that Eurotek has attended.

The Directors believe that it will be a very difficult trading year during this economic downturn, but believe that Eurotek are well placed to remain strong with the advent of our new London showroom, our express stock deliveries and our Public Sector contracts carrying us through.

Key Performance indicators

	2009	2008
Sales per employee	£69,929	£68,733
Bank/cash balance	£525,978	£866,330
Debtor days	51 days	50 days

EUROTEK OFFICE FURNITURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

Financial risk management objectives and policies

Market risk

Market risks comprise a number of areas. We ensure that we remain competitive, and offer best value for money, whilst we manufacture to ISO 14001 and 9000 standards. We are always aware of challenges of imports, especially from the Far East.

Environmental risk

The company continues to monitor its environmental impact in its sourcing of raw materials, its method of manufacture, its products and their ultimate disposal. We have also considered the impact on our staff and their working environment and the control of our waste products through the appropriate recycling processes. The company is now able to measure the Carbon Footprint of all of its generic products and is committed to reducing it where possible.

Financial risk

The company continues to have a strong bank balance and cash. It utilises hire purchase agreements to manage cash flow and capital expenditure; most of the company's trading is in £Sterling. Some raw materials are purchased in Euros when there is a significant saving.

Price risk

The company remains very conscious of its selling price and its manufacturing margin. However, it is affected by material and utility price increases, which, at present it controls by better manufacturing techniques and value engineering.

Credit risk

The company ensures that it pays attention to paying suppliers on time and maintains strong credit control ensuring it receives payment from its debtors within its trading terms. With a new business initiative sales drive, aimed at increasing the Public Sector proportion of the business, an overall benefit of this will be further minimising credit risks within the company.

Directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies 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 directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Disclosure of information to the auditor

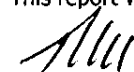
So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Spofforths LLP as auditor will be put to the members at the Annual General Meeting.

This report was approved by the board on *15TH SEPTEMBER 2009*



R C Lee
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
EUROTEK OFFICE FURNITURE LIMITED**

We have audited the financial statements of Eurotek Office Furniture Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes on pages 4 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditor

The directors' responsibilities for preparing 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 Directors' Responsibilities on page 2.

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 Directors' 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit 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 directors 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 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Spofforths LLP
Chartered Accountants and Registered Auditor
A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex, BN13 3QZ

17 September 2009

EUROTEK OFFICE FURNITURE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
Turnover	2	11,468,275	11,065,960
Cost of sales		(6,255,292)	(5,573,837)
Gross profit		5,212,983	5,492,123
Distribution costs		(906,227)	(794,993)
Administrative expenses		(4,732,524)	(4,448,556)
Operating (loss)/profit	3	(425,768)	248,574
Interest receivable		13,713	25,794
Interest payable	6	(36,200)	(21,999)
(Loss)/profit on ordinary activities before taxation		(448,255)	252,369
Tax on (loss)/profit on ordinary activities	7	87,000	(49,444)
(Loss)/profit for the financial year	16	(361,255)	202,925

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the (loss)/profit for the above two financial years.

EUROTEK OFFICE FURNITURE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2009

REGISTERED NUMBER: 2086413

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	1,292,657	1,338,310
Current assets			
Stocks	9	695,908	706,507
Debtors	10	1,822,739	1,989,980
Cash at bank and in hand		<u>525,978</u>	<u>866,330</u>
		3,044,625	3,562,817
Creditors: amounts falling due within one year	11	<u>2,536,710</u>	<u>2,631,346</u>
Net current assets		<u>507,915</u>	<u>931,471</u>
Total assets less current liabilities		1,800,572	2,269,781
Creditors: amounts falling due after more than one year	12	(483,066)	(523,520)
Provisions for liabilities	14	(23,500)	(91,000)
		<u>1,294,006</u>	<u>1,655,261</u>
Capital and reserves			
Called up share capital	15	613,719	613,719
Profit and loss account	16	680,287	1,041,542
Shareholder's funds - equity	17	<u>1,294,006</u>	<u>1,655,261</u>

The financial statements were approved by the board and authorised for issue on 15/9/09 of the board by

and signed on behalf


R C Lee
Director


T J Kuhler
Director

EUROTEK OFFICE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

The company is a wholly owned subsidiary of its parent company who prepares consolidated financial statements. As such, it has taken advantage of the exemption from preparing a cash flow statement.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as principal and for services provided, including recoveries of costs incurred. Turnover excludes VAT and is net of trade discounts.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, generally as follows:

Leasehold improvements	over 2 to 10 years
Plant, machinery and office equipment:	
Plant and machinery	over 2 to 14 years
Office equipment	over 2 to 9 years
Motor vehicles	over 2 to 10 years

Stocks

Stocks are consistently valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Hire purchase commitments

Assets held under hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account on a straight line basis.

Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

EUROTEK OFFICE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

2 Turnover

Turnover and profit on ordinary activities before taxation are attributable to the principal activity which is carried out wholly in the United Kingdom and the Channel Islands.

3 Operating (loss)/profit

2009

2008

£

£

This is stated after charging:

Depreciation of owned fixed assets	114,722	136,235
Depreciation of assets held under hire purchase contracts	163,527	114,067
Operating lease rentals - plant and machinery	17,907	2,795
Operating lease rentals - land and buildings	391,286	391,286
Auditor's remuneration - audit services	8,150	8,000
Auditor's remuneration - non audit services	500	400

4 Directors' emoluments

2009

2008

£

£

Emoluments	175,300	176,136
Company contributions to defined contribution pension schemes	880	828
	176,180	176,964

Number of directors in company pension schemes:

2009

2008

Number

Number

Defined contribution schemes	2	2
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5 Staff costs

2009

2008

£

£

The aggregate payroll costs of the company, including directors, were:

Wages and salaries	3,079,194	2,906,401
Social security costs	285,803	255,675
Other pension costs	1,879	1,789
	3,366,876	3,163,865

Average number of employees during the year

Number

Number

Administration	74	68
Production	90	93
	164	161

EUROTEK OFFICE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

6 Interest payable	2009	2008
	£	£
Under hire purchase contracts	<u>36,200</u>	<u>21,999</u>

7 Tax on (loss)/profit on ordinary activities

Analysis of charge in year	2009	2008
	£	£
UK corporation tax on (loss)/profit of the year	<u>(19,500)</u>	<u>19,500</u>
Total current tax (see below)	(19,500)	19,500
Deferred tax:		
Origination and reversal of timing differences	<u>(67,500)</u>	<u>29,944</u>
Total deferred tax (Note 14)	(67,500)	29,944
Tax on (loss)/profit on ordinary activities	<u>(87,000)</u>	<u>49,444</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28 per cent). The differences are explained below:

	2009	2008
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(448,255)</u>	<u>252,369</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 : 30%)	(125,511)	75,711
Effects of:		
Expenses not deductible for tax purposes	1,197	1,111
Capital allowances for year in excess of depreciation	12,778	(29,912)
Utilisation of tax losses	-	(17,729)
Unrelieved tax losses	84,961	-
Small companies rate relief	7,593	(9,681)
Adjustments in respect of previous years	<u>(518)</u>	<u>-</u>
Total current tax (see above)	<u>(19,500)</u>	<u>19,500</u>

EUROTEK OFFICE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

8 Tangible fixed assets

	Leasehold improvements £	Plant, machinery and office equipment £	Motor vehicles £	Total £
Cost				
At beginning of year	152,610	2,486,479	833,097	3,472,186
Additions	-	107,356	135,224	242,580
Disposals	-	(36,000)	(336,406)	(372,406)
At end of year	152,610	2,557,835	631,915	3,342,360
Depreciation				
At beginning of year	93,487	1,523,270	517,119	2,133,876
Charge for the year	9,091	139,736	129,422	278,249
Disposals	-	(32,458)	(329,964)	(362,422)
At end of year	102,578	1,630,548	316,577	2,049,703
Net book value				
At 31 March 2009	50,032	927,287	315,338	1,292,657
<i>At 31 March 2008</i>	<i>59,123</i>	<i>963,209</i>	<i>315,978</i>	<i>1,338,310</i>

	2009 £	2008 £
Net book value of assets included above held under hire purchase contracts	754,944	<i>671,266</i>

9 Stocks

	2009 £	2008 £
Raw materials	440,824	<i>451,805</i>
Work in progress	43,957	<i>48,358</i>
Finished goods	211,127	<i>206,344</i>
	695,908	<i>706,507</i>

10 Debtors

	2009 £	2008 £
Trade debtors	1,543,801	<i>1,683,980</i>
Other debtors	14,773	<i>10,946</i>
Prepayments and accrued income	245,183	<i>295,054</i>
Corporation tax repayable	18,982	<i>-</i>
	1,822,739	<i>1,989,980</i>

EUROTEK OFFICE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

11 Creditors: amounts falling due within one year	2009	2008
	£	£
Obligations under hire purchase contracts (secured)	210,980	220,039
Trade creditors	1,486,702	1,123,332
Amounts owed to parent undertaking	467,364	732,392
Corporation tax	-	19,500
Other taxes and social security costs	192,254	253,966
Other creditors	17,727	19,648
Accruals and deferred income	161,683	262,469
	2,536,710	2,631,346

12 Creditors: amounts falling due after more than one year	2009	2008
	£	£
Obligations under hire purchase contracts (secured)	283,066	323,520
Amounts owed to parent undertaking	200,000	200,000
	483,066	523,520

13 Obligations under hire purchase contracts	2009	2008
	£	£
Amounts payable:		
Within one year	210,980	220,039
Within two to five years	283,066	323,520
	494,046	543,559

14 Provisions for liabilities	Deferred tax
	£
At beginning of year	91,000
Credited to the profit and loss account	(67,500)
At end of year	23,500

Deferred taxation provided in the financial statements is as follows:

	Provided	Provided
	2009	2008
	£	£
Capital allowances in advance of depreciation	87,500	91,000
Loss in year carried forward	(64,000)	-
	23,500	91,000

EUROTEK OFFICE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

15 Share capital	2009	2008
	£	£
Authorised:		
Ordinary shares of £1 each	<u>840,717</u>	<u>840,717</u>

	2009	2008	2009	2008
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>613,719</u>	<u>613,719</u>	<u>613,719</u>	<u>613,719</u>

16 Profit and loss account	2009	2008
	£	£
At beginning of year	1,041,542	838,617
(Loss)/profit for the financial year	<u>(361,255)</u>	<u>202,925</u>
At end of year	<u>680,287</u>	<u>1,041,542</u>

17 Reconciliation of movement in shareholder's funds	2009	2008
	£	£
(Loss)/profit for the financial year	(361,255)	202,925
At beginning of year	<u>1,655,261</u>	<u>1,452,336</u>
At end of year	<u>1,294,006</u>	<u>1,655,261</u>

18 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	Land and buildings	Other	Other
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire:				
within one year	-	-	-	2,795
within two to five years	-	-	79,179	-
in over five years	<u>391,286</u>	<u>391,286</u>	<u>-</u>	<u>-</u>
	<u>391,286</u>	<u>391,286</u>	<u>79,179</u>	<u>2,795</u>

19 Related parties

In the directors' opinion the company is controlled by its immediate and ultimate parent company Cloroquay Limited, a company registered in England and Wales. Cloroquay Limited owns 100% of the share capital of the company. The ultimate controlling party is Mr R C Lee, a director and shareholder of Cloroquay Limited.

The company has taken exemption under FRS8 from disclosure of transactions with other group companies. Copies of the group financial statements are publicly available from Companies House.