

Registered number: 2369310

PARAMOUNT OFFICE INTERIORS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011**

WEDNESDAY



A1BXNO14

A13

27/06/2012

#262

COMPANIES HOUSE

PARAMOUNT OFFICE INTERIORS LIMITED

COMPANY INFORMATION

DIRECTOR	N B Roberts BA (Managing Director)
COMPANY SECRETARY	T S D Jones
REGISTERED NUMBER	2369310
REGISTERED OFFICE	Cypress House Pascal Close St Mellons Cardiff CF3 0LW
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW
BANKERS	Barclays Bank Plc 3rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3WP

PARAMOUNT OFFICE INTERIORS LIMITED

CONTENTS

	Page
Director's Report	1 - 3
Independent auditors' report to the member of Paramount Office Interiors Limited	4 - 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 15

PARAMOUNT OFFICE INTERIORS LIMITED

DIRECTOR'S REPORT FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

The director presents his annual report and the audited financial statements of the company for the 12 months ended 30 September 2011

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activities are office design, space planning, office fit-out, project management and supply of office furniture

There have been no significant changes in the company's principal activities in the year under review. The director is not aware, at the date of this report, of any likely changes in the company's activities in the forthcoming year.

Trading conditions remained challenging in the year against a background of generally depressed construction and property sectors, and the reluctance of banks to provide development funding. The company had reasonable sales prospects at the start of the year, but due to slippage it achieved only one of the three high-value design and build projects it was forecasting, which significantly reduced its projected turnover. These projects are still going ahead and we will be carrying out the work in the next financial year. However, a relocation to lower cost premises, tight control of overheads and better than expected gross margins all helped to offset the effect of this lower turnover.

Turnover for the year was just under £6.2m, under four-fifths of that achieved in the 9 month trading period for 2010. However, administrative overheads were only 6% higher in the twelve months to 30 September 2011 compared with the 9 month period in 2010, and as a result of this the company was able to post a small profit before tax of £16,000 for the year.

During the year the company continued working with major UK blue-chip clients, many of which operate from multiple sites in the UK. It also secured a longer-term contract with a government agency which will provide certainty of work for at least 2012 and 2013. The Company's drive to establish its quality credentials was reinforced by achieving ISO 9001 accreditation in October 2011, and by winning the 2011 UK Gold Award for fit-out from its trade body the Association of Interior Specialists (in competition with seventy other UK fit-out companies).

The company now enters its new financial year 2011-12 with a lean cost base (forecast at 95% of its 2010-11 figure) due to savings arising from a Management Team decision to re-focus its marketing activities. Trading conditions remain difficult, and the UK economic recovery is likely to be gradual at best, but the company is bullish and with a re-energised and re-focussed MD and a continuing low cost base for 2011-12 it is well placed to take advantage of any general upturn in the economy. Margins continue to be squeezed, particularly on tendered work, but the two or three large ongoing construction and fit-out contracts delayed from 2010-11 should be delivered in 2011-12, which will substantially contribute to the £11m turnover forecast, which will compensate for lower margins. The Company is forecasting return to more substantial profits in 2011-12 to enable it to rebuild its balance sheet back to pre-recession levels.

PARAMOUNT OFFICE INTERIORS LIMITED

DIRECTOR'S REPORT FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

RESULTS AND DIVIDENDS

The profit for the 12 months, after taxation, amounted to £1,000 (2010 - £100,000)

No dividend (2010 - £nil) has been proposed in respect of the period

DIRECTOR

The director of the company who served during the year and up to the date of signing the financial statements was

N B Roberts BA (Managing Director)

CHARITABLE CONTRIBUTIONS

Charitable donations amounting to £nil (2010 - £1,330) were made during the period

PRINCIPAL RISKS AND UNCERTAINTIES

Market risk

The company operates in a market which can be influenced by activity in the construction and commercial property sectors. As a result, macroeconomic fluctuations may affect future levels of activity.

Credit risk

The company experiences credit risk with respect to its trade receivables. The amounts presented in the balance sheet are net of doubtful receivables. The diverse customer base means that there is no significant concentration of credit risk, with exposure spread over a large number of customers. This risk is managed and mitigated by regular review of the trade receivables outstanding.

Key performance indicators

Given the straight forward nature of the business, the director is of the opinion that the financial statements include the features that he considers to be their key performance indicators.

DIRECTOR'S RESPONSIBILITIES STATEMENT

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 prepared 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 he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PARAMOUNT OFFICE INTERIORS LIMITED

DIRECTOR'S REPORT FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

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. He 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.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 26 June 2012 and signed on its behalf

A handwritten signature in black ink, appearing to be 'N B Roberts', written over a horizontal line.

N B Roberts BA (Managing Director)
Director

PARAMOUNT OFFICE INTERIORS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARAMOUNT OFFICE INTERIORS LIMITED

We have audited the financial statements of Paramount Office Interiors for the year ended 30 September 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTOR 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 Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 annual report to identify material inconsistencies with the audited financial statements. 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 30 September 2011 and of its 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 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 year for which the financial statements are prepared is consistent with the financial statements.

PARAMOUNT OFFICE INTERIORS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARAMOUNT OFFICE INTERIORS LIMITED

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



Jason Clarke (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

26 June 2012

PARAMOUNT OFFICE INTERIORS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011**

	Note	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
TURNOVER		6,178	7,900
Cost of sales		(4,749)	(6,446)
GROSS PROFIT		1,429	1,454
Distribution costs		(7)	(8)
Administrative expenses		(1,404)	(1,330)
OPERATING PROFIT	3	18	116
Interest receivable and similar income		-	1
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18	117
Tax on profit on ordinary activities	7	(17)	(17)
PROFIT FOR THE FINANCIAL YEAR	15	1	100

All amounts relate to continuing operations

There were no recognised gains and losses other than those included in the Profit and Loss Account above, and therefore no separate statement of recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the periods stated above, and their historical cost equivalents

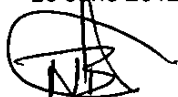
The notes on pages 8 to 15 form part of these financial statements

PARAMOUNT OFFICE INTERIORS LIMITED
REGISTERED NUMBER: 2369310

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Note	£000	2011 £000	£000	2010 £000
FIXED ASSETS					
Tangible assets	8		239		328
CURRENT ASSETS					
Stocks	9	15		144	
Debtors	10	1,252		1,583	
Cash at bank and in hand		429		118	
		<u>1,696</u>		<u>1,845</u>	
CREDITORS amounts falling due within one year	11	(1,536)		(1,724)	
NET CURRENT ASSETS			<u>160</u>		<u>121</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>399</u>		<u>449</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	12	(5)		(1)	
Other provisions	13	-		(55)	
			<u>(5)</u>		<u>(56)</u>
NET ASSETS			<u><u>394</u></u>		<u><u>393</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		25		25
Capital redemption reserve	15		25		25
Profit and loss account	15		344		343
TOTAL SHAREHOLDERS' FUNDS	16		<u><u>394</u></u>		<u><u>393</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2012



N B Roberts BA (Managing Director)
Director

The notes on pages 8 to 15 form part of these financial statements

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard no 1 'Cash flow statement' from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable of bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2% per annum (note - land is not depreciated)
Motor vehicles	-	20% per annum
Fixtures and fittings	-	20% per annum
Leasehold improvements	-	Over the period of the lease

The director undertakes a review of the carrying value of fixed assets when trigger events occur and makes such provisions for impairment as he considers necessary.

1.4 Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work carried out less amounts receivable as progress payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the Profit and Loss Account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

1.5 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes suppliers' invoice price, plus direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant selling and distribution costs.

1.6 Leased assets

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

1 ACCOUNTING POLICIES (continued)

1.7 Pensions

The company operates a defined contribution pension scheme. The cost for the financial year represents the contributions payable to the scheme in respect of the accounting period.

1.8 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.9 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the 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 an undiscounted basis.

2 TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover is attributable to the company's principal activity.

Income is recognised in the period in which the services or goods have been provided.

All turnover arose within the United Kingdom.

3 OPERATING PROFIT

The operating profit is stated after charging

	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
Depreciation of tangible fixed assets		
- owned by the company	89	70
Operating lease rentals		
- plant and machinery	3	4
- other operating leases	127	179
	<u>127</u>	<u>179</u>

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011**

4 AUDITORS' REMUNERATION

	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	10	10
Fees payable to the company's auditor in respect of Tax compliance	4	3
Accounting services	1	-
	<u>15</u>	<u>13</u>

5 STAFF COSTS

Staff costs, including director's remuneration, were as follows

	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
Wages and salaries	1,009	704
Social security costs	102	77
Other pension costs	2	1
	<u>1,113</u>	<u>782</u>

The average monthly number of employees, including the director, during the 12 months was as follows

	12 months ended 30 September 2011 number	9 months ended 30 September 2010 number
Sales	6	6
Operations	16	16
Finance and administration	7	7
	<u>29</u>	<u>29</u>

6. DIRECTOR'S REMUNERATION

	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
Aggregate emoluments	65	50

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

There were no company contributions to money purchase or similar schemes in respect of services provided by the director during the current or the prior financial year

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
Analysis of tax charge in the period		
Current tax (see note below)		
UK corporation tax charge on profit for the period	13	16
Deferred tax (see note 12)		
Origination and reversal of timing differences	4	1
Tax on profit on ordinary activities	<u>17</u>	<u>17</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 20 5% (2010 - 21%) The differences are explained below

	12 months ended 30 September 2011 £000	9 months ended 30 September 2010 £000
Profit on ordinary activities before taxation	<u>18</u>	<u>117</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 5% (2010 - 21%)	4	25
Effects of		
Expenses not deductible for tax purposes	13	9
Capital allowances in excess of depreciation	10	7
Utilisation of tax losses	(14)	(25)
Current tax charge for the period	<u>13</u>	<u>16</u>

Factors that may affect future tax charges

The small profits rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2011 Accordingly the company's profits for this accounting period are taxed at an effective rate of 20 5% and will be taxed at 20% in the future

There are no other factors that may affect the future tax rate as there has been no further small profit rate reductions announced in the March 2012 UK Budget Statement

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011**

8 TANGIBLE FIXED ASSETS

	Leasehold improvements £000	Fixtures & fittings £000	Motor vehicles £000	Freehold property £000	Total £000
Cost					
At 1 October 2010	507	340	43	6	896
Disposals	-	-	(16)	-	(16)
At 30 September 2011	507	340	27	6	880
Accumulated depreciation					
At 1 October 2010	238	289	41	-	568
Charge for the 12 months	50	39	(16)	-	73
At 30 September 2011	288	328	25	-	641
Net book value					
At 30 September 2011	219	12	2	6	239
At 30 September 2010	269	51	2	6	328

9 STOCKS

	2011 £000	2010 £000
Work in progress	15	144

10 DEBTORS

	2011 £000	2010 £000
Trade debtors	1,041	1,311
Other debtors	172	219
Prepayments and accrued income	39	53
	1,252	1,583

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

11 CREDITORS.

Amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	914	904
Corporation tax	13	16
Other taxation and social security	169	241
Other creditors	416	556
Accruals and deferred income	24	7
	<u>1,536</u>	<u>1,724</u>

12 DEFERRED TAX

	2011 £000	2010 £000
At beginning of period	1	-
Charge for period	4	1
	<u>5</u>	<u>1</u>
At end of period		

The provision for deferred taxation is made up as follows

	2011 £000	2010 £000
Accelerated capital allowances	10	20
Tax losses carried forward	(5)	(19)
	<u>5</u>	<u>1</u>

13 OTHER PROVISIONS

	Lease provision £000	Dilapidations provision £000	Total £000
At 1 October 2010	5	50	55
Amounts used	-	(34)	(34)
Amounts reversed	(5)	(16)	(21)
	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2011			

Lease provision

A provision made for vacant properties where lease commitments exist has been been utilised and any surplus released during the period

Dilapidations provision

The company established a provision for costs expected to be incurred on dilapidation works to leasehold premises. The provision has been utilised and any surplus released during the period

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011**

14 CALLED UP SHARE CAPITAL

	2011 £	2010 £
Allotted and fully paid		
24,600 (2010 - 24,600) ordinary shares of £1 each	<u>24,600</u>	<u>24,600</u>

15 RESERVES

	Capital redemption reserve £000	Profit and loss account £000
At 1 October 2010	25	343
Profit for the 12 months	-	1
	<u>25</u>	<u>344</u>
At 30 September 2011	<u>25</u>	<u>344</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £000	2010 £000
Opening shareholders' funds	393	293
(Loss)/Profit for the period	1	100
	<u>394</u>	<u>393</u>
Closing shareholders' funds	<u>394</u>	<u>393</u>

17 OPERATING LEASE COMMITMENTS

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011 £000	2010 £000
Expiry date		
Between 2 and 5 years	<u>51</u>	<u>51</u>

18 RELATED PARTY TRANSACTIONS

The company made sales of £1,041k (2010 £59k) to Hensol Properties LLP in which the director, Mr N B Roberts BA, is a designated member. The amount owed to Hensol Properties LLP at the year end was £26k (2010 nil)

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011**

19 ULTIMATE CONTROLLING PARTY

N B Roberts BA and his wife are the ultimate controlling parties by virtue of their controlling interest in the company's share capital