
BOYS & BODEN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1998



WHITTINGHAM RIDDELL
CHARTERED ACCOUNTANTS
15 BELMONT, SHREWSBURY

BOYS & BODEN LIMITED

Contents

	Page
Directors' Report	1
Auditors' Report	2
Abbreviated Profit and Loss Account	3
Balance Sheet	4
Cash Flow Statement	5 - 6
Notes to the Abbreviated Accounts	7 - 13

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report and the financial statements for the year ended 31 March 1998.

Statement of directors' responsibilities

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 of the company 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;
- state whether applicable 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.

The directors are responsible for keeping 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.

Results and dividends

The directors recommend that no dividend be paid in respect of the year (1997 - Nil), and the profit for the year after taxation, of £35,326 (1997 - £25,824), be transferred to reserves.

Principal activities and review of business

The company's principal activity continues to be that of timber and builders merchants, joinery manufacturers and timber fabricators. Further effort has been spent on laying the foundations for the future success of the Company.

Fixed assets

The movement in fixed assets during the year is shown in note 7 to the accounts. In the opinion of the directors the freehold land and buildings included in the balance sheet at their net book value of £114,717 have an existing use value of £390,000.

Directors

The directors who served during the year and their beneficial interests in the Company's issued share capital were:

	<u>Ordinary 5p shares</u>		<u>Ordinary £1 shares</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
H W Boden	483,950		19,239	
D Hammond (appointed 1 January 1998)	-		-	

Auditors

The auditors, Whittingham Riddell, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 16 November 1998 and signed on its behalf.

H W Boden
Secretary



AUDITORS' REPORT TO BOYS & BODEN LIMITED
pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 13 together with the financial statements of Boys & Boden Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 13 are properly prepared in accordance with that provision.

Whittingham Riddell

Chartered Accountants
Registered Auditors
Shrewsbury



4 December 1998

BOYS & BODEN LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 31 March 1998

	Note	1998 £	1997 £
GROSS PROFIT		1,374,986	1,239,948
Selling and distribution costs		(103,348)	(103,055)
Administrative expenses		(1,241,610)	(1,097,558)
OPERATING PROFIT	2	30,028	39,335
Interest receivable	4	240	1,011
Interest payable	5	(5,170)	(10,022)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,098	30,324
Taxation on profit on ordinary activities	6	10,228	(4,500)
RETAINED PROFIT FOR THE YEAR		35,326	25,824
RETAINED PROFIT BROUGHT FORWARD		1,006,830	981,006
RETAINED PROFIT CARRIED FORWARD		£ 1,042,156	£ 1,006,830

All amounts relate to continuing operations.

There were no recognised gains and losses for 1998 or 1997 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

BOYS & BODEN LIMITED

BALANCE SHEET
As at 31 March 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible fixed assets	7		325,832		279,214
Own shares	8		65,000		-
CURRENT ASSETS					
Stocks	9	893,915		806,817	
Debtors	10	768,423		804,015	
Cash at bank and in hand		7,141		6,901	
			<u>1,669,479</u>	<u>1,617,733</u>	
CREDITORS: amounts falling due within one year	11	<u>(973,181)</u>		<u>(834,318)</u>	
NET CURRENT ASSETS			<u>696,298</u>		<u>783,415</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,087,130</u>		<u>1,062,629</u>
PROVISIONS FOR LIABILITIES AND CHARGES	12		<u>(6,175)</u>		<u>(17,000)</u>
NET ASSETS			<u>£ 1,080,955</u>		<u>£ 1,045,629</u>
CAPITAL AND RESERVES					
Called up share capital	13		35,000		35,000
Capital reserve			3,799		3,799
Profit and loss account			<u>1,042,156</u>		<u>1,006,830</u>
SHAREHOLDERS' FUNDS - All equity	14		<u>£ 1,080,955</u>		<u>£ 1,045,629</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements were approved by the board on 16 November 1998 and signed on its behalf

H W Boden

Director

D Hammond

Director

The notes on pages 7 to 13 form part of these financial statements.

BOYS & BODEN LIMITED

CASH FLOW STATEMENT
For the year ended 31 March 1998

	Note	£	1998 £	£	1997 £
Net cash inflow from operating activities (Page 6)			84,711		182,655
Returns on investments and servicing of finance	15		(4,930)		(9,011)
Taxation			3,956		22,069
Capital expenditure and financial investment	15		(104,668)		(30,311)
Cash outflow before use of liquid resources and financing			(20,931)		165,402
Financing	15		(11,404)		-
Decrease in cash in the period			<u>£ (32,335)</u>		<u>£ 165,402</u>

The notes on pages 7 to 13 form part of these financial statements.

BOYS & BODEN LIMITED

CASH FLOW STATEMENT INFORMATION
For the year ended 31 March 1998

	Note	£	1998 £	£	1997 £	£
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES						
Operating profit			30,028		39,335	
Depreciation of tangible fixed assets			58,050		60,846	
Decrease/(increase) in debtors			32,249		(28,678)	
Increase in stocks			(87,098)		(15,632)	
Increase in creditors			116,482		126,784	
ESOT contribution			(65,000)		-	
Net cash inflow from operating activities		£	84,711		£	182,655
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT						
	16					
Decrease in cash in the period			(32,335)		165,402	
Cash outflow from decrease in debt and lease financing			11,404		-	
Change in net debt resulting from cash flows			(20,931)		165,402	
Net debt at 1 April 1997			(102,879)		(268,281)	
Net debt at 31 March 1998		£	(123,810)		£	(102,879)

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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 buildings	-	2%	pa on cost
Leasehold property	-	10%	pa on cost
Plant & machinery	-	25%	pa on cost
Motor vehicles	-	25%	pa on cost

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.7 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.8 Employee share ownership trust

The Company operates an employee share ownership trust, as described in note 8. Contributions to the trust have been accounted for in accordance with UITF 13.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

2. OPERATING PROFIT

The operating profit is stated after charging or crediting the following:

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned by the company	46,646	49,442
- held under finance leases and hire purchase contracts	11,404	11,404
Audit fees	13,000	12,500
Directors' remuneration	9,998	4,131
Operating lease rentals - hire of plant & machinery	7,223	18,285
	<u>25,562</u>	<u>-</u>
Exceptional Income		
Rents received	10,774	17,740
	<u>10,774</u>	<u>17,740</u>

The exceptional income which is included in the other operating income of £36,336 relates to compensation and interest from the Welsh Office and is the final settlement relating to the sale of land in earlier years.

3. STAFF COSTS

Staff costs were as follows:

	1998 £	1997 £
Wages and salaries	965,081	846,581
Social security costs	85,469	76,543
Other pension costs	25,315	20,809
	<u>£ 1,075,865</u>	<u>£ 943,933</u>

The average monthly number of employees, including directors, during the year was as follows:

	1998	1997
Distribution and administrative	80	68
	<u>80</u>	<u>68</u>

4. INTEREST RECEIVABLE

	1998 £	1997 £
Other interest receivable	£ 240	£ 1,011
	<u>£ 240</u>	<u>£ 1,011</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

5. INTEREST PAYABLE

	1998 £	1997 £
On bank overdraft	5,170	10,022
	<u>£ 5,170</u>	<u>£ 10,022</u>

6. TAXATION

	1998 £	1997 £
Current year taxation		
UK Corporation Tax at 21% (1997 - 24%)	1,210	4,500
Transfer from deferred taxation (note 12)	(10,825)	-
	<u>(9,615)</u>	<u>4,500</u>
Prior years		
UK corporation tax	(613)	-
	<u>£ (10,228)</u>	<u>£ 4,500</u>

7. TANGIBLE FIXED ASSETS

	Freehold property & leasehold improvements £	Plant & machinery £	Motor Vehicles £	Total £
Cost or valuation				
At 1 April 1997	281,331	419,222	153,688	854,241
Additions	44,457	43,830	16,381	104,668
At 31 March 1998	<u>325,788</u>	<u>463,052</u>	<u>170,069</u>	<u>958,909</u>
Depreciation				
At 1 April 1997	106,153	333,361	135,513	575,027
Charge for year	18,431	24,067	15,552	58,050
At 31 March 1998	<u>124,584</u>	<u>357,428</u>	<u>151,065</u>	<u>633,077</u>
Net Book Value				
At 31 March 1998	<u>£ 201,204</u>	<u>£ 105,624</u>	<u>£ 19,004</u>	<u>£ 325,832</u>
At 31 March 1997	<u>£ 175,178</u>	<u>£ 85,861</u>	<u>£ 18,175</u>	<u>£ 279,214</u>

The net book value of plant and machinery included amounts of £22,808(1997 - £34,212) in respect of assets held under finance leases or being acquired under hire purchase contracts.

Capital commitments at 31 March 1998 were £Nil (1997 - £Nil).

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

8. OWN SHARES - EMPLOYEE SHARE OWNERSHIP TRUST

By deed dated 24 September 1997, the Company created an employee share ownership trust.

On 30 December 1997 the trust acquired 104,170 ordinary 5p shares at 60p each. The purchase was funded by a contribution by the Company of £65,000. The trust is administered on a separate basis from the Company and at 31 March 1998 104,170 ordinary 5p shares with a market value of £65,000 were held by the trust pending distribution to the employees under the terms of the trust deed.

9. STOCKS

	1998 £	1997 £
Raw materials	146,433	124,531
Finished goods	747,482	682,286
	<u>£ 893,915</u>	<u>£ 806,817</u>

10. DEBTORS

	1998 £	1997 £
Due within one year		
Trade debtors	739,658	737,970
Other debtors	28,765	66,045
	<u>£ 768,423</u>	<u>£ 804,015</u>

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

	1998 £	1997 £
Bank loans and overdrafts	108,143	75,568
Director's loan	62,500	-
Net obligations under finance lease and hire purchase contracts	22,808	34,212
Trade creditors	649,281	541,056
Corporation tax	1,210	-
Social security and other taxes	49,574	50,768
Accruals and deferred income	79,665	132,714
	<u>£ 973,181</u>	<u>£ 834,318</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

12. CREDITORS - continued

The bank borrowing is secured by a fixed charge dated 13 March 1961 and a fixed and floating charge dated 30 July 1991 over certain of the Company's assets.

The director's loan is secured by a fixed and floating charge over all the Company's assets and undertakings, present and future.

A deed of priority exists between the bank, the director and the Company regulating the priority of charges between the bank and the director.

The director's loan made on the 30 September 1997 is repayable quarterly at the rate of £7,812 excluding interest which is charged at 2% per annum above the bank base rate, (note 19).

12. PROVISIONS FOR LIABILITIES AND CHARGES

	1998 £	1997 £
<i>Deferred Tax</i>		
At 1 April 1997	17,000	17,000
Credit for the year	(10,825)	-
	<hr/>	<hr/>
At 31 March 1998	£ 6,175	£ 17,000
	<hr/>	<hr/>

The amounts provided for deferred taxation are based on the full potential liability, and are calculated on the liability method at 21% (1997 - 24%) .

13. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
1,000,000 ordinary shares of 5p each	50,000	
35,000 ordinary shares of £1 each		35,000
	<hr/>	<hr/>
	£ 50,000	£ 35,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
700,000 ordinary shares of 5p each	35,000	
35,000 ordinary shares of £1 each		35,000
	<hr/>	<hr/>
	£ 35,000	£ 35,000
	<hr/>	<hr/>

On 16 September 1997 the Company's share capital was sub-divided from ordinary £1 shares to ordinary 5p shares, and the authorised share capital was increased from £35,000 to £50,000. The authorised share capital now comprises 1,000,000 ordinary 5p shares.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

14. SHAREHOLDERS' FUNDS**Reconciliation of movements on shareholders' funds**

	1998	1997
	£	£
Profit for the year	35,326	25,824
Opening shareholders' funds	<u>1,045,629</u>	<u>1,019,805</u>
Closing shareholders' funds	<u>£ 1,080,955</u>	<u>£ 1,045,629</u>

**15. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT**

	1998	1997
	£	£
Returns on investments and servicing of finance		
Interest received	240	1,011
Interest paid	(5,170)	(10,022)
Net cash outflow for returns on investments and servicing of finance	<u>£ (4,930)</u>	<u>£ (9,011)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(104,668)	(30,311)
Net cash outflow for capital expenditure	<u>£ (104,668)</u>	<u>£ (30,311)</u>
Financing		
Capital element of finance lease rentals	(11,404)	-
Net cash outflow from financing	<u>£ (11,404)</u>	<u>£ -</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 1998

16. ANALYSIS OF NET DEBT

	At 1 April 1997 £	Cash flow £	At 31 March 1998 £
Net cash:			
Cash at bank and in hand	6,901	240	7,141
Bank overdraft	(75,568)	(32,575)	(108,143)
	<u>(68,667)</u>	<u>(32,335)</u>	<u>(101,002)</u>
Debt:			
Finance leases	(34,212)	11,404	(22,808)
Net debt	<u>£ (102,879)</u>	<u>£ (20,931)</u>	<u>£ (123,810)</u>

17. OTHER COMMITMENTS

At 31 March 1998 the company had annual commitments under non-cancellable operating leases as follows:

	1998 £	1997 £
Expiry date:		
Between 2 and 5 years	<u>26,636</u>	<u>16,719</u>

18. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Company in an independent administered fund. The pension charge for the year was £25,315 (1997 - £20,809).

19. CONTROL

The Company is under the control of H W Boden, who owns 69% of the ordinary share capital of the Company.

During the year H W Boden loaned to the Company the sum of £62,500. No repayments had been made at the balance sheet date, and no provision for interest accrued had been made. Note 11 refers to the security and terms of the loan.

20. POST BALANCE SHEET EVENTS

The company has set up a further branch carrying out the same business at a site in Llandrindod which opened for business on 20 July 1998.