

Company Number: 1763122

**COMPANIES REGISTRY COPY**

**Stikatak Limited**

**Financial Statements**

**for the year ended 31st December 1997**



**Stikatak Limited**

**Company Information**

**Company No: 1763122**

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**Chairman**

Mr John C. Whiting

**Registered Office**

Unit J  
Braintree Road Industrial Estate  
Braintree Road  
Ruilip  
Middlesex  
HA4 OEG

**Directors**

Mr John C. Whiting  
Mr John S.L. Stock  
Mrs Anjana Thakrar

**Secretary**

Mr John C. Whiting

**Auditors**

Landau Morley  
Lanmor House  
370-386 High Road  
Wembley  
Middx  
HA9 6AX

**Bankers**

Barclays Bank Plc  
28 Hampstead High Street  
London  
NW3 1QB

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5	Balance Sheet
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# Stikatak Limited

## Directors' Report

for the year ended 31st December 1997

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The directors submit their report together with the audited financial statements for the year ended 31st December 1997.

### Directors' Statement

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 year. 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 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 profit on the ordinary activities of the company before taxation amounted to £265,150. After deducting taxation and dividends, the profit of £105,945 has been transferred to reserves.

The directors recommend dividends amounting to £100,000.

### Principal Activity and Business Review

The principal activity of the company continued to be that of the manufacture and supply of carpet accessories.

A summary of the results for the year under review is given on page 4 of the financial statements.

### Future Developments of the Business

In the years immediately ahead the directors believe that there is considerable scope for the further development of the existing activities of the Company.

### Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1997	1996
	No.	No.
Mr John C. Whiting	4,500	4,500
Mr John S.L. Stock	1,500	1,500
Mrs Anjana Thakrar	-	-

# **Stikatak Limited**

## **Directors' Report**

**for the year ended 31st December 1997**

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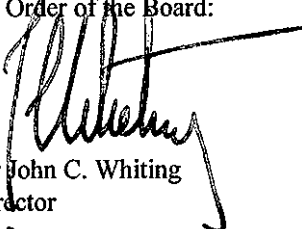
### **Political and Charitable Contributions**

During the year payments of a charitable nature amounted to £360 (1996: £340). There were no contributions to political organisations.

### **Auditors**

The Auditors, Landau Morley Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



Mr John C. Whiting  
Director

12<sup>th</sup> August 1998

# **Stikatak Limited**

## **Auditors' Report to the Shareholders**

### **on the Financial Statements for the year ended 31st December 1997**

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We have audited the financial statements on pages 4 to 12, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

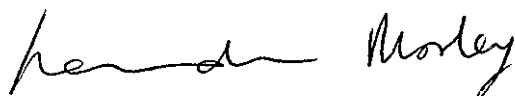
#### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Landau Morley**  
**Chartered Accountants**  
**and Registered Auditors**

*13<sup>th</sup> August 1998*

**Lanmor House**  
**370-386 High Road**  
**Wembley**  
**Middx**  
**HA9 6AX**

**Stikatak Limited****Profit and Loss Account****for the year ended 31st December 1997**

	Notes	1997 £	1996 £
<b>Turnover</b>	2	6,149,827	5,511,293
Cost of sales		(4,130,131)	(3,899,288)
<b>Gross profit</b>		2,019,696	1,612,005
Distribution costs		(1,041,987)	(740,591)
Administrative expenses		(708,962)	(585,785)
<b>Operating profit</b>	3	268,747	285,629
Interest receivable		27,105	18,679
Interest payable	4	(30,702)	(25,335)
<b>Profit on ordinary activities before Taxation</b>		265,150	278,973
Tax on profit on ordinary activities	6	(59,205)	(70,699)
<b>Profit on ordinary activities after Taxation</b>		205,945	208,274
Dividends	7	(100,000)	(100,000)
<b>Retained profit transferred to reserves</b>		105,945	108,274
Retained profit brought forward		655,466	547,192
<b>Retained profit carried forward</b>		761,411	655,466

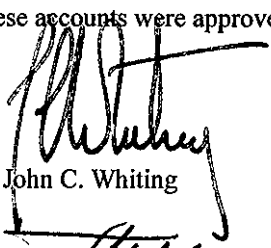
*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*


**Stikatak Limited****Balance Sheet****as at 31st December 1997**

	Notes	1997 £	1997 £	1996 £	1996 £
<b>Fixed Assets</b>					
Tangible fixed assets	8		197,467		201,311
<b>Current Assets</b>					
Stocks	9	576,884		488,998	
Debtors	10	908,824		682,539	
Cash at bank		735,757		623,646	
		2,221,465		1,795,183	
<b>Creditors:</b>					
Amounts falling due within one year	11	(1,648,482)		(1,332,065)	
<b>Net Current Assets</b>			572,983		463,118
<b>Total Assets Less Current Liabilities</b>			770,450		664,429
<b>Provision for Liabilities and Charges</b>					
Deferred taxation	12		(3,039)		(2,963)
			767,411		661,466
<b>Capital and Reserves</b>					
Share capital	13		6,000		6,000
Profit and loss account			761,411		655,466
Equity Shareholders' Funds	14		767,411		661,466

These accounts were approved by the board on 12<sup>th</sup> August 1998



Mr John C. Whiting



Mr John S.L. Stock  
Directors



**Stikatak Limited****Cash Flow Statement****for the year ended 31st December 1997**

	Notes	1997 £	1996 £
Cash flow from operating activities	19	339,254	365,405
Returns on investments and servicing of finance	18	(3,597)	(6,656)
Taxation		(70,235)	(80,531)
Capital expenditure and financial investment	18	(53,312)	(137,811)
Equity dividends paid		(100,000)	(100,000)
Increase in cash in the year	20	<u>112,110</u>	<u>40,407</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		112,110	40,407
Movement in net funds in the period		<u>112,110</u>	<u>40,407</u>
Net funds at 1st January 1997		623,646	583,239
Net funds at 31st December 1997	20	<u>735,756</u>	<u>623,646</u>

**Notes to the Financial Statements**

**for the year ended 31st December 1997**

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**1 Principal Accounting Policies**

***Accounting Convention***

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

***Turnover***

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT.

***Depreciation***

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Plant and machinery	20% reducing balance
Motor vehicles	25% on cost
Fixtures and fittings	25% reducing balance

***Stocks***

Stocks are stated at the lower of cost and net realisable value (after making due allowance for slow moving or obsolete items.)

***Deferred Taxation***

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

***Foreign Currencies***

Assets and Liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

***Contribution to Pension Funds***

Pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

**2 Turnover**

The turnover and operating profit for the year were derived from the company's principal activity.

**Stikatak Limited****Notes to the Financial Statements****for the year ended 31st December 1997****3 Operating Profit***The operating profit is stated after charging or crediting:*

	1997	1996
	£	£
Amounts payable to the auditors in respect of audit services	6,300	6,000
Depreciation - owned assets	57,736	53,259
(Profit)/Loss on disposal of fixed assets	(581)	5,399
	<u>63,955</u>	<u>64,658</u>

**4 Interest Payable**

	1997	1996
	£	£
Directors' loan accounts	30,702	25,335
	<u>30,702</u>	<u>25,335</u>

**5 Directors and Employees**

Staff costs during the year were as follows:

	1997	1996
	£	£
Wages and salaries	769,933	691,152
Social security costs	78,144	63,791
Other pension costs	33,084	30,584
	<u>881,161</u>	<u>785,527</u>

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

	1997	1996
	Number	Number
Administration	7	7
Production	32	31
Selling and distribution	11	11
	<u>50</u>	<u>49</u>

Remuneration in respect of directors was as follows:

	1997	1996
	£	£
Aggregate amount of emoluments paid in respect of qualifying services	110,833	106,250

**6 Tax on Profit on Ordinary Activities**

	1997	1996
	£	£
<i>Based on the profit for the year:</i>		
U.K. Corporation tax at 22% (1996: 24%)	59,129	70,232
Deferred tax charge	76	467
	<u>59,205</u>	<u>70,699</u>

# Stikatak Limited

## Notes to the Financial Statements

for the year ended 31st December 1997

<b>7</b>	<b>Dividends</b>			<b>1997</b>	<b>1996</b>
				<b>£</b>	<b>£</b>
	<b>Equity</b>				
	Ordinary shares - interim paid of £16.67 per share (1996 £16.67)			100,000	100,000
<b>8</b>	<b>Tangible Fixed Assets</b>				
		<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	At 1st January 1997	200,993	99,281	68,653	368,927
	Additions	15,130	36,287	6,395	57,812
	Disposals	-	(15,024)	-	(15,024)
	At 31st December 1997	216,123	120,544	75,048	411,715
	<b>Depreciation</b>				
	At 1st January 1997	116,452	25,532	25,633	167,617
	Charged for the year	19,934	25,448	12,354	57,736
	Eliminated on disposal	-	(11,105)	-	(11,105)
	At 31st December 1997	136,386	39,875	37,987	214,248
	<b>Net Book Value</b>				
	At 31st December 1997	79,737	80,669	37,061	197,467
	At 31st December 1996	84,541	73,749	43,020	201,310
<b>9</b>	<b>Stocks</b>			<b>1997</b>	<b>1996</b>
				<b>£</b>	<b>£</b>
	Raw materials			263,849	257,376
	Goods for re-sale			313,035	231,622
				576,884	488,998
<b>10</b>	<b>Debtors</b>			<b>1997</b>	<b>1996</b>
				<b>£</b>	<b>£</b>
	Trade debtors			854,111	638,776
	Other debtors			10,036	9,591
	Prepayments and accrued income			44,677	34,172
				908,824	682,539

# Stikatak Limited

## Notes to the Financial Statements

for the year ended 31st December 1997

### 11 Creditors: Amounts falling due within one year

	1997	1996
	£	£
Trade creditors	971,348	656,626
Corporation tax	34,126	45,232
Other taxes and social security	60,868	66,615
Other creditors	263,242	221,553
Accruals and deferred income	318,898	342,039
	<u>1,648,482</u>	<u>1,332,065</u>

The Company's bankers have a fixed and floating charge over the Company's assets.

### 12 Deferred Taxation

The amount provided and the total potential liability for deferred taxation was as follows:

	Amount Provided		Amount Unprovided	
	1997	1996	1997	1996
	£	£	£	£
Accelerated capital allowances	<u>3,039</u>	<u>2,963</u>	<u>-</u>	<u>-</u>

### 13 Share Capital

Authorised	Number	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid	Number	£
Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

### 14 Reconciliation of the Movement in Shareholders' Funds

	1997	1996
	£	£
Profit for the financial year	205,945	208,274
Dividends	(100,000)	(100,000)
Increase in shareholders' funds	<u>105,945</u>	<u>108,274</u>
Opening shareholders' funds	661,466	553,192
Closing shareholders' funds	<u>767,411</u>	<u>661,466</u>

**Notes to the Financial Statements**

**for the year ended 31st December 1997**

**15 Pensions - Defined Contribution Scheme**

The company provides pension benefits to its Directors through insured arrangements which are separate from the Company's finances.

**16 Operating lease commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	1997 Land and buildings £	1996 Land and buildings £
Expiring:		
Within one year	-	-
Within two to five years	-	-
After five years	68,300	68,300
	<u>68,300</u>	<u>68,300</u>

**17 Related Party Transactions**

The company is controlled by Mr J. C. Whiting who owns 75% of the issued ordinary shares of the company. Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of Relationship	Transaction Details	Other Creditors £	Accruals £
Mr J. C. Whiting	Director and majority shareholder	Dividend receipt and interest on director's loan account	(196,206)	(88,414)
Mr J. S. L. Stock	Director and minority shareholder	Dividend receipt and interest on director's loan	(54,717)	(24,806)
Stikatak Directors Pension Fund	Pension Fund for the benefit of directors	Rent payable	(4,776)	

Interest is charged on the directors' loan accounts at a commercial rate, 2% over base rate.

The company leases the property from which it operates, on a commercial basis, from the Stikatak Directors Pension Fund at an annual rent of £68,300.

Notes to the Financial Statements

for the year ended 31st December 1997

18 Analysis of Cash Flows for headings netted in the Cash Flow Statement

Returns on investments and servicing of finance	1997 £	1996 £
Interest received	27,105	18,679
Interest paid	(30,702)	(25,335)
<b>Net cash (outflow) for returns on investments and servicing of finance</b>	<b>(3,597)</b>	<b>(6,656)</b>
<b>Capital expenditure and financial investment</b>	<b>1997 £</b>	<b>1996 £</b>
Purchase of tangible fixed assets	(57,812)	(149,011)
Proceeds from the sale of fixed assets	4,500	11,200
<b>Net cash (outflow) for capital expenditure and financial investment</b>	<b>(53,312)</b>	<b>(137,811)</b>

19 Reconciliation of Operating Profit to Operating Cash Flows

	1997 £	1996 £
Operating profit	268,747	285,629
Depreciation charges	57,736	53,259
(Profit)/Loss on disposal of fixed assets	(581)	5,399
(Increase) in stocks	(87,886)	(24,859)
(Increase) in debtors	(226,285)	(58,448)
Increase in creditors	327,523	104,425
<b>Net Cash Inflow from Operating Activities</b>	<b>339,254</b>	<b>365,405</b>

20 Analysis of changes in net funds

	At 1st January 1997 £	Cashflows £	At 31st December 1997 £
Cash at bank and in hand	623,646	112,111	735,757