

ROC COPY

BASIC PARTITION SYSTEMS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1995

COMPANY NUMBER : 02208050

Griffith, Miles, Sully & Co  
Chartered Accountants  
Prudential Buildings  
95 High Street  
Slough  
Berkshire SL1 1DH



BASIC PARTITION SYSTEMS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1995

Contents

|      |        |                                   |
|------|--------|-----------------------------------|
| Page | 1 - 2  | Directors' Report                 |
|      | 3      | Auditors' Report                  |
|      | 4      | Profit and Loss Account           |
|      | 5      | Balance Sheet                     |
|      | 6 - 7  | Cash Flow Statement               |
|      | 8 - 12 | Notes to the Financial Statements |

The following page does not form part of the statutory accounts

13 Trading and Profit and Loss Account

Directors

G Jones  
Mrs P Jones

Secretary

G Jones

Company Number

02208050

Registered Office

Ty-Newydd Lodge  
3 Turnoak Park  
St Leonards Hill  
Windsor  
Berkshire  
SL4 4AL

Auditors

Griffith, Miles, Sully & Co  
Registered Auditor and  
Chartered Accountants  
95 High Street  
Slough  
Berkshire  
SL1 1DH

**BASIC PARTITION SYSTEMS LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995**

The directors present their report and the financial statements for the year ended 31 December 1995.

**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;
- 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.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The company's principal activity continues to be that of partition and ceiling manufacturer and merchants.

The results for the year are set out on page 4.

During the year the company concentrated on dealing in its core products resulting in another substantial trading profit.

The directors anticipate that the current year will show a slight improvement in turnover and profitability.

**DIVIDENDS**

An interim dividend of £40,000 (£400 per share) was paid during the year.

## FIXED ASSETS

Details of the movements in fixed assets are set out in note 5 to the financial statements.

## DIRECTORS

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

|             | Ordinary Shares of £1 each |      |
|-------------|----------------------------|------|
|             | 1995                       | 1994 |
| G Jones     | 1                          | 1    |
| Mrs P Jones | 99                         | 99   |

## AUDITORS

The auditors, Messrs. Griffith, Miles, Sully & Co., will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the Board on ..... 4th July 1996 .....  
and signed on its behalf.

  
.....  
G JONES  
Director

BASIC PARTITION SYSTEMS LIMITED

Auditors' Report to the Shareholders of  
Basic Partition Systems Limited

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 8.

Respective responsibilities of directors and auditors  
As described on page 1 the company's directors are responsible for the preparation of 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 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

*Griffith Miles Sully & Co*  
GRIFFITH, MILES, SULLY & CO

Registered Auditor  
Prudential Buildings  
95 High Street  
Slough  
Berkshire

SL1 1DH  
Dated : 5th July 1996

BASIC PARTITION SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1995

|  | Notes | 1995<br>£          | 1994<br>£          |
|--|-------|--------------------|--------------------|
| TURNOVER   | 1     | 3,917,722          | 3,160,059          |
| Cost of Sales                                    |       | 2,053,597<br>----- | 1,865,587<br>----- |
| GROSS PROFIT                                     |       | 1,864,125          | 1,294,472          |
| Expenditure                                      |       | 1,408,361<br>----- | 1,073,535<br>----- |
| OPERATING PROFIT                                 |       | 455,764            | 220,937            |
| Net interest payable                             | 2     | 7,064<br>-----     | 1,657<br>-----     |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION | 3     | 448,700            | 219,280            |
| Taxation   | 4     | 149,505<br>-----   | 66,515<br>-----    |
| PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION  |       | 299,195            | 152,765            |
| Loss on sale of freehold property                |       | 0                  | (55,061)           |
| Prior years' understated income                  |       | 0                  | 31,500             |
| Dividends  | 7     | (40,000)<br>-----  | (40,000)<br>-----  |
| RETAINED PROFIT FOR THE YEAR                     |       | 259,195            | 89,204             |
| RETAINED PROFIT BROUGHT FORWARD                  |       | 379,826<br>-----   | 290,622<br>-----   |
| RETAINED PROFIT CARRIED FORWARD                  |       | 639,021<br>=====   | 379,826<br>=====   |

There were no recognised gains or losses for 1995 or 1994 other than those included in the profit and loss account.

BASIC PARTITION SYSTEMS LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 1995

|  | Notes | 1995<br>£ | 1994<br>£ |
|--|-------|-----------|-----------|
| <b>FIXED ASSETS</b>                          |       |           |           |
| Tangible assets                              | 5     | 179,568   | 133,609   |
| Investments                                  | 6     | 7,500     | 8,351     |
|  |       | -----     | -----     |
|  |       | 187,068   | 141,960   |
| <b>CURRENT ASSETS</b>                        |       |           |           |
| Stocks                                       | 8     | 422,059   | 405,600   |
| Debtors                                      | 9     | 854,918   | 630,796   |
|  |       | -----     | -----     |
|  |       | 1,276,977 | 1,036,396 |
| <b>CREDITORS</b>                             |       |           |           |
| Amounts falling due within one year          | 10    | 809,083   | 798,430   |
|  |       | -----     | -----     |
| <b>NET CURRENT ASSETS</b>                    |       | 467,894   | 237,966   |
|  |       | -----     | -----     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 654,962   | 379,926   |
| <b>CREDITORS</b>                             |       |           |           |
| Amounts falling due after one year           | 11    | 15,841    | 0         |
|  |       | -----     | -----     |
| <b>NET ASSETS</b>                            |       | 639,121   | 379,926   |
|  |       | =====     | =====     |
| <b>CAPITAL AND RESERVES</b>                  |       |           |           |
| Called up capital                            | 12    | 100       | 100       |
| Profit and loss account                      |       | 639,021   | 379,826   |
|  |       | -----     | -----     |
| <b>SHAREHOLDERS' FUNDS</b>                   | 13    | 639,121   | 379,926   |
|  |       | =====     | =====     |

ON BEHALF OF THE BOARD:

  
G Jones - Director

Approved by the Board on ...4th July 1996.

# BASIC PARTITION SYSTEMS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1995

|  | 1995      | 1994      |
|--|-----------|-----------|
|  | £         | £         |
| NET CASH INFLOW FROM<br>OPERATING ACTIVITIES       | 140,225   | 109,083   |
| RETURNS ON INVESTMENTS AND<br>SERVICING OF FINANCE |           |           |
| Interest paid                                      | 7,064     | 1,657     |
| Dividends paid                                     | 40,000    | 40,000    |
|  | -----     | -----     |
|  | 47,064    | 41,657    |
|  | -----     | -----     |
|  | 93,161    | 67,426    |
| TAXATION   | 62,287    | 39,057    |
|  | -----     | -----     |
|  | 30,874    | 28,369    |
| INVESTING ACTIVITIES                               |           |           |
| Payments to acquire tangible<br>fixed assets       | (112,425) | (103,960) |
| Receipts from sales of<br>tangible fixed assets    | 5,975     | 166,189   |
|  | -----     | -----     |
|  | (106,450) | 62,229    |
|  | -----     | -----     |
| (DECREASE) INCREASE IN CASH                        | (75,576)  | 90,598    |
|  | =====     | =====     |

### NOTES TO THE CASH FLOW STATEMENT

#### 1. Reconciliation of Operating profit to Net Cash Inflow from Operating Activities

|  | 1995      | 1994      |
|--|-----------|-----------|
|  | £         | £         |
| Operating profit                             | 455,764   | 197,376   |
| Depreciation charge                          | 52,165    | 37,477    |
| Loss on sale of fixed assets                 | 8,326     | 55,061    |
| Investments written off                      | 851       | 0         |
| Increase in stocks                           | (16,459)  | (238,891) |
| Increase in debtors                          | (224,122) | (43,329)  |
| Increase (Decrease) in creditors             | (136,300) | 101,389   |
|  | -----     | -----     |
| Net cash inflow from<br>operating activities | 140,225   | 109,083   |
|  | =====     | =====     |



2. Analysis of changes in cash during the year

|                              | 1995<br>£ | 1994<br>£ |
|------------------------------|-----------|-----------|
| Balance at beginning of year | (194,387) | (284,985) |
| Net cash inflow (outflow)    | ( 75,576) | 90,598    |
|                              | -----     | -----     |
| Balance at end of year       | (269,963) | (194,387) |
|                              | =====     | =====     |

3. Analysis of the balances of cash  
as shown in the balance sheet

|                | 1995<br>£ | 1994<br>£ | Change in year<br>£ |
|----------------|-----------|-----------|---------------------|
| Bank overdraft | (269,983) | (194,387) | (75,576)            |
|                | =====     | =====     | =====               |

# BASIC PARTITION SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

### 1. ACCOUNTING POLICIES

#### Basis of Preparation of Financial Statements

The financial statements are 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.

#### Turnover

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

#### Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost of the tangible fixed assets over their estimated useful life at the following rates:

|                   |                              |
|-------------------|------------------------------|
| Motor vehicles    | - 25% reducing balance basis |
| Plant & equipment | - 15% reducing balance basis |

#### Stocks

These are stated at the lower of cost or net realisable value.

#### Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### Leases and Hire Purchase Contracts

Assets obtained under finance leases and hire purchases contracts are capitalised as tangible fixed assets. The total finance charges are allocated over the period of the contracts to give a constant charge on the outstanding liability.

#### Subsidiary

The results of the company's subsidiary (75% holdings), Basic Partition Merchants (SW) Ltd, are not included in the financial statements as this company did not trade during the year.

## 2. NET INTEREST PAYABLE

|                                   | 1995<br>£ | 1994<br>£ |
|-----------------------------------|-----------|-----------|
| Bank overdraft                    | 6,940     | 1,657     |
| Finance leases and hire purchases | 124       | 0         |
|                                   | -----     | -----     |
|                                   | 7,064     | 1,657     |
|                                   | =====     | =====     |

## 3. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

|   | 1995<br>£ | 1994<br>£ |
|---|-----------|-----------|
| Directors Emoluments  |           |           |
| Management Remuneration   | 145,500   | 162,400   |
|   | =====     | =====     |
| Detailed particulars:   |           |           |
| Chairman's emoluments   | 110,500   | 92,000    |
|   | =====     | =====     |
| Number of other directors whose total<br>emoluments were within the ranges: |           |           |
| £30,001 to £35,000  | 1         | 0         |
| £50,001 to £55,000  | 0         | 1         |
|   | ---       | ---       |
|   | 1         | 1         |
|   | ===       | ===       |
| Auditors remuneration   | 5,000     | 2,000     |
|   | =====     | =====     |
| Depreciation of tangible fixed assets                                       |           |           |
| Own assets  | 42,304    | 37,476    |
| Held under hire purchase contracts  | 9,861     | 0         |
|   | -----     | -----     |
|   | 52,165    | 37,476    |
|   | =====     | =====     |
| Directors pension contributions   | 56,754    | 38,801    |
|   | =====     | =====     |
| Loss on sale of fixed assets  | 8,326     | 0         |
|   | =====     | =====     |

#### 4. TAXATION

|                                      | 1995<br>£ | 1994<br>£ |
|--------------------------------------|-----------|-----------|
| UK Corporation tax                   |           |           |
| UK Current year taxation at 33%(25%) | 142,778   | 55,560    |
| UK Prior years                       | 6,727     | 10,955    |
|                                      | -----     | -----     |
|                                      | 149,505   | 66,515    |
|                                      | =====     | =====     |

There is no potential deferred taxation liability.

#### 5. TANGIBLE FIXED ASSETS

|                       | Plant &<br>Equipment<br>£ | Motor<br>Vehicles<br>£ | Total<br>£ |
|-----------------------|---------------------------|------------------------|------------|
| Cost                  |                           |                        |            |
| At beginning of year  | 73,143                    | 211,891                | 285,034    |
| Additions during year | 18,237                    | 94,188                 | 112,425    |
| Disposals during year | (16,341)                  | (49,595)               | (65,936)   |
|                       | -----                     | -----                  | -----      |
| At end of year        | 75,039                    | 256,484                | 331,523    |
|                       | -----                     | -----                  | -----      |
| Depreciation          |                           |                        |            |
| At beginning of year  | 28,138                    | 123,287                | 151,425    |
| Charge for the year   | 8,651                     | 43,514                 | 52,165     |
| Disposals adjustments | (10,775)                  | (40,860)               | (51,635)   |
|                       | -----                     | -----                  | -----      |
| At end of year        | 26,014                    | 125,941                | 151,955    |
|                       | -----                     | -----                  | -----      |
| Net book values       |                           |                        |            |
| At 31 December 1995   | 49,025                    | 130,543                | 179,568    |
|                       | =====                     | =====                  | =====      |
| At 31 December 1994   | 45,005                    | 88,604                 | 133,609    |
|                       | =====                     | =====                  | =====      |

The net book value of fixed assets includes £29,583 (1994 £0) in respect of assets (motor vehicles) held under hire purchase contracts.

#### 6. INVESTMENTS

|                          | 1995<br>£ | 1994<br>£ |
|--------------------------|-----------|-----------|
| Investment in subsidiary | 7,500     | 7,500     |
| Purchase of company name | 0         | 851       |
|                          | -----     | -----     |
|                          | 7,500     | 8,351     |
|                          | =====     | =====     |

7. DIVIDENDS

|                                    | 1995<br>£ | 1994<br>£ |
|------------------------------------|-----------|-----------|
| Interim dividend of £400 per share | 40,000    | 40,000    |
|                                    | =====     | =====     |

8. STOCKS

|                                  | 1995<br>£ | 1994<br>£ |
|----------------------------------|-----------|-----------|
| Raw materials and finished goods | 422,059   | 405,600   |
|                                  | =====     | =====     |

9. DEBTORS: DUE WITHIN ONE YEAR

|                             | 1995<br>£ | 1994<br>£ |
|-----------------------------|-----------|-----------|
| Trade debtors               | 774,964   | 581,284   |
| Other debtors & prepayments | 63,027    | 43,970    |
| Directors loan account      | 5,542     | 5,542     |
| Taxation                    | 11,385    | 0         |
|                             | -----     | -----     |
|                             | 854,918   | 630,796   |
|                             | =====     | =====     |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                           | 1995<br>£ | 1994<br>£ |
|---------------------------|-----------|-----------|
| Corporation tax           | 142,778   | 55,560    |
| Taxation                  | 59,208    | 12,327    |
| Accruals                  | 29,959    | 24,661    |
| Bank overdraft            | 269,963   | 194,387   |
| Trade creditors           | 285,420   | 507,081   |
| Due to subsidiary company | 4,495     | 4,414     |
| Hire purchase             | 17,260    | 0         |
|                           | -----     | -----     |
|                           | 809,083   | 798,430   |
|                           | =====     | =====     |

The bank overdraft is secured over the company's assets.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                | 1995<br>£ | 1994<br>£ |
|----------------|-----------|-----------|
| Hire purchases | 15,841    | 0         |
|                | =====     | =====     |

The hire purchase contract is secured on the asset concerned and is repayable in instalments in between one and two years.

## 12. CALLED UP SHARE CAPITAL

|  | 1995<br>£       | 1994<br>£       |
|--|-----------------|-----------------|
| Authorised<br>Ordinary Shares of £1 each | 50,000<br>===== | 50,000<br>===== |
| Issued<br>Ordinary Shares of £1 each     | 100<br>===      | 100<br>===      |

## 13. MOVEMENTS OF SHAREHOLDERS' FUNDS

|                             | 1995<br>£        | 1994<br>£        |
|-----------------------------|------------------|------------------|
| Profit for the year         | 259,195          | 89,204           |
| Opening shareholders' funds | 379,926          | 290,722          |
|                             | -----            | -----            |
| Closing shareholders' funds | 639,121<br>===== | 379,926<br>===== |

## 14. PARTICULARS OF STAFF

|                                    | 1995      | 1994      |
|------------------------------------|-----------|-----------|
| Management                         | 2         | 2         |
| Sales and marketing                | 1         | 1         |
| Administration                     | 10        | 10        |
| Works                              | 24        | 33        |
|                                    | ---       | ---       |
| Average number of persons employed | 37<br>=== | 46<br>=== |

The aggregate payroll costs of these persons were as follows:

|                       | 1995<br>£        | 1994<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 651,299          | 513,343          |
| Social security costs | 61,975           | 52,026           |
| Other pension costs   | 56,754           | 38,801           |
|                       | -----            | -----            |
|                       | 770,028<br>===== | 604,170<br>===== |