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**BASIC PARTITION SYSTEMS LIMITED**

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED  
31 DECEMBER 1998**



## BASIC PARTITION SYSTEMS LIMITED

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### Company Information

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<b>Directors</b>	G Jones Mrs P Jones
<b>Secretary</b>	G Jones
<b>Company Number</b>	2208050
<b>Registered Office</b>	Ty Newydd Lodge 3 Turnoak Park Windsor Berkshire SL4 4AL
<b>Auditors</b>	Barnes Roffe Chartered Accountants and Registered Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

BASIC PARTITION SYSTEMS LIMITED

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# BASIC PARTITION SYSTEMS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and the financial statements for the year ended 31 December 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;
- 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 profit for the year after taxation, amounted to £496,630 (1997 - £227,265).

A final dividend of £3,000 per share has been proposed for the year.

### Principal activities and review of business

The company's principal activity during the period was that of builders merchants.

The turnover of the company has increased again during the year and the directors are pleased with the financial position of the company. The directors expect this to be maintained for the foreseeable future.

### Directors

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

	Ordinary shares of £1 each	
	1998	1997
G Jones	50	50
Mrs P Jones	50	50

### Political and charitable contributions

The company made various charitable donations during the year totalling £625.

### Year 2000

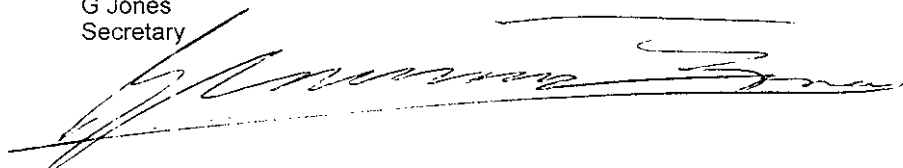
In accordance with the programme implemented during the year, the company is actively engaged in projects to minimise the business risk from the possibility of computer or equipment at the millennium change. The programme addresses both internal risks and those to which the company may be exposed from problems at suppliers or other third parties. The year 2000 issue has no precedent, with consequent uncertainties as to the scale of the problem, particularly externally to the company. The company continues to make every effort to avoid the possibility of business disruption.

### Auditors

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

This report was approved by the board on 25 March 1999 and signed on its behalf.

G Jones  
Secretary



# BASIC PARTITION SYSTEMS LIMITED

## AUDITORS' REPORT TO BASIC PARTITION SYSTEMS LIMITED

pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 14 together with the financial statements of Basic Partition Systems limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 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 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 14 are properly prepared in accordance with that provision.

**Barnes Roffe**



Chartered Accountants and Registered Auditors  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

Date: 25 March 1999

**BASIC PARTITION SYSTEMS LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 1998

	Note	1998 £	1997 £
<b>GROSS PROFIT</b>		<b>2,647,654</b>	<b>2,307,630</b>
Administrative expenses		<u>(1,911,086)</u>	<u>(1,975,587)</u>
<b>OPERATING PROFIT</b>	2	<b>736,568</b>	<b>332,043</b>
Interest receivable	5	686	403
Interest payable	6	<u>(30,960)</u>	<u>(40,183)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>706,294</b>	<b>292,263</b>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	<u>(209,664)</u>	<u>(64,998)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>496,630</b>	<b>227,265</b>
DIVIDENDS	8	<u>(300,000)</u>	<u>-</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>196,630</b>	<b>227,265</b>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<b>991,320</b>	<b>764,055</b>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><b>£ 1,187,950</b></u>	<u><b>£ 991,320</b></u>

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 14 form part of these financial statements.

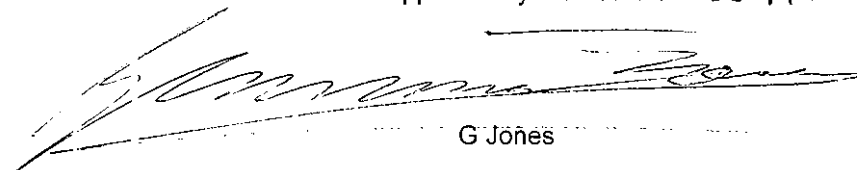
# BASIC PARTITION SYSTEMS LIMITED

## BALANCE SHEET As at 31 December 1998

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		557,684		618,164
			<u>557,684</u>		<u>618,164</u>
<b>CURRENT ASSETS</b>					
Stocks	11	665,072		642,671	
Debtors	12	1,109,162		1,079,922	
Investments	13	-		208,708	
Cash at bank and in hand		200,686		-	
		<u>1,974,920</u>		<u>1,931,301</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(1,250,547)</u>		<u>(1,417,793)</u>	
<b>NET CURRENT ASSETS</b>			<u>724,373</u>		<u>513,508</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,282,057</u>		<u>1,131,672</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(94,007)</u>		<u>(140,252)</u>
<b>NET ASSETS</b>			<u>£ 1,188,050</u>		<u>£ 991,420</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		100		100
Profit and loss account			<u>1,187,950</u>		<u>991,320</u>
<b>SHAREHOLDERS' FUNDS - All equity</b>	17		<u>£ 1,188,050</u>		<u>£ 991,420</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 25 March 1999 and signed on its behalf.

  
G Jones

The notes on pages 7 to 14 form part of these financial statements.

BASIC PARTITION SYSTEMS LIMITED

**CASH FLOW STATEMENT**  
For the year ended 31 December 1998

	Note	£	1998 £	£	1997 £
Net cash inflow from operating activities (Page 6)			426,510		352,919
Returns on investments and servicing of finance	18		(30,274)		(29,780)
Taxation			(63,187)		(34,998)
Capital expenditure and financial investment	18		(6,895)		(96,938)
 Cash inflow before use of liquid resources and financing			<u>326,154</u>		<u>191,203</u>
Management of liquid resources			(188,208)		(20,500)
Financing:	18				
Decrease in debt			(42,323)		(58,967)
 Increase in cash in the period			<u>£ 95,623</u>		<u>£ 111,736</u>

Details of major non-cash transactions are given in note 20.  
The notes on pages 7 to 14 form part of these financial statements.



**BASIC PARTITION SYSTEMS LIMITED**

**CASH FLOW STATEMENT INFORMATION**  
For the year ended 31 December 1998

	Note	1998 £	1997 £
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit		736,568	332,043
Depreciation of tangible fixed assets		66,161	72,715
Provisions against fixed asset investments		-	7,500
Loss on disposal of tangible fixed assets		1,214	980
Increase in debtors		(30,717)	(242,848)
Increase in stocks		(22,401)	(117,946)
(Decrease)/increase in creditors		(324,315)	300,475
<b>Net cash inflow from operating activities</b>		<b>£ 426,510</b>	<b>£ 352,919</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
	19		
<b>Increase in cash in the period</b>		<b>95,623</b>	<b>111,736</b>
Cash inflow from increase in debt and lease financing		42,323	58,967
Cash inflow from increase in liquid resources		188,208	20,500
Change in net debt resulting from cash flows		326,154	191,203
<b>Net debt at 1 January 1998</b>		<b>(367,369)</b>	<b>(558,572)</b>
<b>Net debt at 31 December 1998</b>		<b>£ (41,215)</b>	<b>£ (367,369)</b>

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 1998

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**1. ACCOUNTING POLICIES****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 and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2%	Straight line
Plant & machinery	-	15%	Reducing balance
Motor vehicles	-	25%	Reducing balance

**1.4 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**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 and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned by the company	66,161	72,715
Audit fees	8,800	8,000
Operating lease rentals		
- hire of plant & machinery	24,848	22,095
- other	158,427	137,060
	<u>          </u>	<u>          </u>

# BASIC PARTITION SYSTEMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 1998

### 3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	1998 £	1997 £
Wages and salaries	1,019,037	1,118,075
Social security costs	95,740	90,253
Other pension costs	69,146	51,640
	<u>£ 1,183,923</u>	<u>£ 1,259,968</u>

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

	1998	1997
Office and administration	12	12
Sales	12	10
Warehouse and production	27	24
	<u>51</u>	<u>46</u>

### 4. DIRECTORS' REMUNERATION

	1998 £	1997 £
Aggregate emoluments	223,808	448,289
Company pension contributions to money purchase schemes	66,000	50,000
	<u>£ 289,808</u>	<u>£ 498,289</u>

Included in the above are emoluments, excluding pension contributions, paid to:

Highest paid director	<u>£ 177,858</u>	<u>£ 395,393</u>
Company pension contributions for the highest paid director are	<u>£ 65,000</u>	<u>£ 8,543</u>

Two directors have retirement benefits accruing under a money purchase pension scheme.

### 5. INTEREST RECEIVABLE

	1998 £	1997 £
Other interest receivable	<u>£ 686</u>	<u>£ 403</u>

**BASIC PARTITION SYSTEMS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 1998

**6. INTEREST PAYABLE**

	1998 £	1997 £
On bank loans and overdrafts	20,946	28,825
On other loans	10,014	10,000
	<u>30,960</u>	<u>38,825</u>
On finance leases and hire purchase contracts	-	1,358
	<u>£ 30,960</u>	<u>£ 40,183</u>

**7. TAXATION**

	1998 £	1997 £
<b>Current year taxation</b>		
UK Corporation Tax at 31% (1997 - 21%)	210,000	65,000
<b>Prior years</b>		
UK corporation tax	(336)	(2)
	<u>£ 209,664</u>	<u>£ 64,998</u>

If provision had been made for deferred taxation on the basis of the full potential liability, the taxation charge would have been increased by £17,000 (1997 - £10,600) as follows:

Capital allowances in advance of depreciation	<u>£ 17,000</u>	<u>£ 10,600</u>
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**8. DIVIDENDS**

	1998 £	1997 £
Ordinary - proposed	<u>300,000</u>	<u>-</u>

**BASIC PARTITION SYSTEMS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 1998

**9. TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 1998	362,296	122,022	380,354	864,672
Additions	-	10,750	14,745	25,495
Disposals	-	-	(32,845)	(32,845)
At 31 December 1998	<u>362,296</u>	<u>132,772</u>	<u>362,254</u>	<u>857,322</u>
<b>Depreciation</b>				
At 1 January 1998	7,246	46,873	192,389	246,508
Charge for year	4,046	15,188	46,927	66,161
On disposals	-	-	(13,031)	(13,031)
At 31 December 1998	<u>11,292</u>	<u>62,061</u>	<u>226,285</u>	<u>299,638</u>
<b>Net Book Value</b>				
At 31 December 1998	<u>£ 351,004</u>	<u>£ 70,711</u>	<u>£ 135,969</u>	<u>£ 557,684</u>
At 31 December 1997	<u>£ 355,050</u>	<u>£ 75,149</u>	<u>£ 187,965</u>	<u>£ 618,164</u>

Included in land and buildings is freehold land valued at £80,000 (1997 - £80,000) which is not depreciated.

**10. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Total £
<b>Cost</b>		
At 1 January 1998	7,500	7,500
Disposals	(7,500)	(7,500)
At 31 December 1998	<u>-</u>	<u>-</u>
<b>Provisions</b>		
At 1 January 1998	7,500	7,500
On disposals	(7,500)	(7,500)
At 31 December 1998	<u>-</u>	<u>-</u>
<b>Net Book Value</b>		
At 31 December 1998	<u>£ -</u>	<u>£ -</u>

Investments include an investment in a subsidiary, Basic Partition Merchants (SW) Limited, comprising a holding of 75% of its issued ordinary capital. This company had been dormant for several years and was struck off during the year.

**11. STOCKS**

	1998 £	1997 £
Raw materials	<u>£ 665,072</u>	<u>£ 642,671</u>

**BASIC PARTITION SYSTEMS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 1998

**12. DEBTORS**

	1998 £	1997 £
<b>Due within one year</b>		
Trade debtors	1,039,667	1,012,888
Other debtors	2,000	3,526
Prepayments and accrued income	67,495	63,508
	<u>£ 1,109,162</u>	<u>£ 1,079,922</u>

**13. CURRENT ASSET INVESTMENTS**

	1998 £	1997 £
Other investments	£ -	£ 208,708

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

	1998 £	1997 £
Bank loans and overdrafts	147,894	247,617
Trade creditors	394,617	385,988
Corporation tax	210,000	65,000
Social security and other taxes	147,574	124,499
Proposed dividend	300,000	-
Other creditors	4,496	329,368
Accruals and deferred income	45,966	265,321
	<u>£ 1,250,547</u>	<u>£ 1,417,793</u>

There is a mortgage debenture dated 3rd October 1990 over all the fixed and floating assets of the company and a legal mortgage dated 15th August 1996 over the company's freehold property.

**15. CREDITORS:  
Amounts falling due after more than one year**

	1998 £	1997 £
Bank loans and overdrafts	94,007	140,252
	<u>£ 94,007</u>	<u>£ 140,252</u>
Included within the above are amounts falling due as follows:		
<b>In 1 - 2 years:</b>		
Loan instalments	53,229	49,307
<b>In 2 - 5 years:</b>		
Loan instalments	40,778	90,945

BASIC PARTITION SYSTEMS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 1998

**16. CALLED UP SHARE CAPITAL**

	1998 £	1997 £
<b>Authorised</b>		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	£ 100	£ 100

**17. SHAREHOLDERS' FUNDS**

**Reconciliation of movements on shareholders' funds**

	1998 £	1997 £
Profit for the year	496,630	227,265
Dividends	(300,000)	-
	196,630	227,265
Opening shareholders' funds	991,420	764,155
Closing shareholders' funds	£ 1,188,050	£ 991,420

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

	1998 £	1997 £
<b>Returns on investments and servicing of finance</b>		
Interest received	686	403
Interest paid	(30,960)	(28,825)
Interest element of finance lease rentals	-	(1,358)
<b>Net cash outflow for returns on investments and servicing of finance</b>	£ (30,274)	£ (29,780)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(25,495)	(100,738)
Sale of tangible fixed assets	18,600	3,800
<b>Net cash outflow for capital expenditure</b>	£ (6,895)	£ (96,938)
<b>Management of liquid resources</b>		
Purchase of current asset investments	(188,208)	(20,500)
<b>Net cash outflow for management of liquid resources</b>	£ (188,208)	£ (20,500)

# BASIC PARTITION SYSTEMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 1998

	1998 £	1997 £
<b>18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT (Continued)</b>		
<b>Financing</b>		
Repayment of loans	(42,323)	(44,484)
Capital element of finance lease rentals	-	(14,483)
<b>Decrease in debt</b>	<u>(42,323)</u>	<u>(58,967)</u>
<b>Net cash outflow from financing</b>	<u>£ (42,323)</u>	<u>£ (58,967)</u>

### 19. ANALYSIS OF NET DEBT

	At 1 Jan 1998 £	Cash flow £	Other changes £	At 31 Dec 1998 £
<b>Net cash:</b>				
Cash at bank and in hand	-	200,686		200,686
Bank overdrafts	(202,232)	103,645		(98,587)
	<u>(202,232)</u>	<u>304,331</u>		<u>102,099</u>
<b>Liquid resources:</b>				
Current asset investments	20,500	188,208	(208,708)	-
<b>Debt:</b>				
Debt due within 1 year	(45,385)	42,323	(46,245)	(49,307)
Debt due after 1 year	(140,252)	-	46,245	(94,007)
	<u>(185,637)</u>	<u>42,323</u>	<u>-</u>	<u>(143,314)</u>
<b>Net debt</b>	<u>£ (367,369)</u>	<u>£ 534,862</u>	<u>£ 208,708</u>	<u>£ (41,215)</u>

### 20. MAJOR NON-CASH TRANSACTIONS

During the year the current asset investment was transferred to Mr G Jones, director, at a valuation of £208,708.

### 21. OTHER COMMITMENTS

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

	Land and buildings 1998 £	1997 £	Other 1998 £	1997 £
<b>Expiry date:</b>				
Within 1 year	-	-	4,290	1,647
Between 2 and 5 years	56,250	38,000	20,358	20,436
In more than 5 years	94,500	112,750	-	-

### 22. PENSION COMMITMENTS

The company operates money purchase pension schemes for its directors and certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge for the year represents amounts paid into the funds.



## BASIC PARTITION SYSTEMS LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 1998

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**23. TRANSACTIONS WITH DIRECTORS**

During the year the company repaid loans totalling £136,664 to Mr G Jones, a director of the company. Interest on the loan of £10,014 (1997 - £10,000) was charged to the company for the year. There was no balance due to or from the directors at the end of the year.

**24. CONTROLLING PARTY**

The company was controlled throughout the current and previous period by its directors, G Jones and P Jones, by virtue of their holding all of the ordinary shares of the company.