
BASIC PARTITION SYSTEMS LIMITED

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 1997

Company Number: 2208050



BASIC PARTITION SYSTEMS LIMITED

Company Information

Directors	G Jones Mrs P Jones
Secretary	G Jones
Company Number	2208050
Registered Office	Ty Newydd Lodge 3 Turnoak Park Windsor Berkshire SL4 4AL
Auditors	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 1997

The directors present their report and the financial statements for the year ended 31 December 1997.

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 £227,265 (1996 - £125,034) .

The directors do not recommend that a dividend is paid.

Principal activities and review of business

The principal activity of the company in the year under review was that of builders merchants.

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

Directors

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

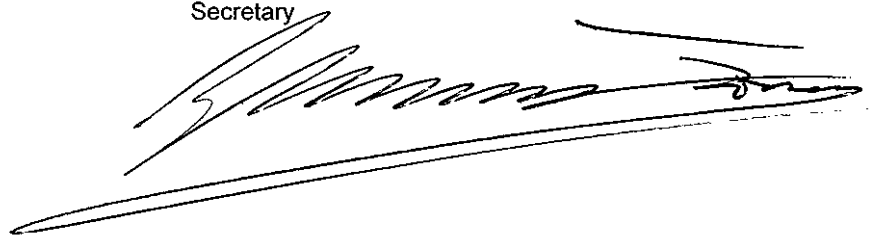
	Ordinary shares of £1 each	
	1997	1996
G Jones	50	50
Mrs P Jones	50	50

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 3rd June 1998 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 the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

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 section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

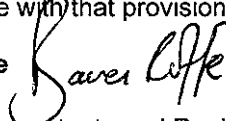
Basis of opinion

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.

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

4th June 1998

BASIC PARTITION SYSTEMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1997

	Note	1997 £	1996 £
GROSS PROFIT		2,307,630	2,076,753
Administrative expenses		<u>(1,975,587)</u>	<u>(1,901,168)</u>
OPERATING PROFIT	2	332,043	175,585
Interest receivable	5	403	-
Interest payable	6	<u>(40,183)</u>	<u>(10,576)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		292,263	165,009
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	<u>(64,998)</u>	<u>(39,975)</u>
RETAINED PROFIT FOR THE YEAR		227,265	125,034
RETAINED PROFIT BROUGHT FORWARD		<u>764,055</u>	<u>639,021</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£ 991,320</u></u>	<u><u>£ 764,055</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 1997 or 1996 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 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible fixed assets	8		618,164		594,921
Investments	9		-		7,500
			<u>618,164</u>		<u>602,421</u>
CURRENT ASSETS					
Stocks	10	642,671		524,725	
Debtors	11	1,079,922		837,074	
Investments	12	208,708		-	
		<u>1,931,301</u>		<u>1,361,799</u>	
CREDITORS: amounts falling due within one year	13	<u>(1,417,793)</u>		<u>(1,015,329)</u>	
NET CURRENT ASSETS			<u>513,508</u>		<u>346,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,131,672</u>		<u>948,891</u>
CREDITORS: amounts falling due after more than one year	14		<u>(140,252)</u>		<u>(184,736)</u>
NET ASSETS			<u>£ 991,420</u>		<u>£ 764,155</u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Profit and loss account			991,320		764,055
			<u>991,420</u>		<u>764,155</u>
SHAREHOLDERS' FUNDS - All equity	16		<u>£ 991,420</u>		<u>£ 764,155</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 3rd June 1998 and signed on its behalf

G Jones

Director

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 1997

	Note	£	1997 £	£	1996 £
Net cash inflow from operating activities (Page 6)			352,919		364,649
Returns on investments and servicing of finance	17		(29,780)		(10,576)
Taxation			(34,998)		(147,753)
Capital expenditure and financial investment	17		(96,938)		(461,828)
			<hr/>		<hr/>
Cash inflow/(outflow) before use of liquid resources and financing			191,203		(255,508)
Management of liquid resources			(20,500)		-
Financing:	17				
(Decrease)/increase in debt			(55,046)		207,582
			<hr/>		<hr/>
Increase/(decrease) in cash in the period		£	115,657	£	(47,926)

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 1997

	Note	£	1997 £	£	1996 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
Operating profit			332,043		175,585
Depreciation of tangible fixed assets			72,715		46,476
Provisions against fixed asset investments			7,500		-
Loss on disposal of tangible fixed assets			980		-
(Increase)/decrease in debtors			(242,848)		7,844
Increase in stocks			(117,946)		(102,666)
Increase in creditors			300,475		237,410
Net cash inflow from operating activities			£ 352,919		£ 364,649
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT					
	18				
Increase/(decrease) in cash in the period			115,657		(47,926)
Cash inflow from increase/(decrease) in debt and lease financing			55,046		(207,582)
Cash inflow from increase/(decrease) in liquid resources			20,500		-
Change in net debt resulting from cash flows			191,203		(255,508)
Net debt at 1 January 1997			(558,572)		(303,064)
Net debt at 31 December 1997			£ (367,369)		£ (558,572)

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 1997

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.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 and machinery	-	15%	Reducing balance
Motor vehicles	-	25%	Reducing balance

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 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.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 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.

1.8 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.

BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 1997

2. OPERATING PROFIT

The operating profit is stated after charging:

	1997	1996
	£	£
Depreciation of tangible fixed assets		
- owned by the company	72,715	46,476
Auditors' fees	8,000	7,000
Operating lease rentals		
- plant & machinery	22,095	13,947
- other	137,060	157,017
Loss on sale of fixed assets	980	1,388
Provision against investments	7,500	-
	<u> </u>	<u> </u>

3. STAFF COSTS

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

	1997	1996
	£	£
Wages and salaries	1,106,896	967,774
Social security costs	90,253	96,079
Other pension costs	51,640	168,793
	<u> </u>	<u> </u>
	£ 1,248,789	£ 1,232,646
	<u> </u>	<u> </u>

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

	1997	1996
Office and administration	12	11
Sales	10	10
Warehouse and production	24	24
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

	1997	1996
	£	£
Aggregate emoluments	448,289	424,936
Company pension contributions to money purchase schemes	50,000	168,793
	<u> </u>	<u> </u>
	£ 498,289	£ 593,729
	<u> </u>	<u> </u>

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

Highest paid director	£ 395,393	£ 373,111
	<u> </u>	<u> </u>
Company pension contributions for the highest paid director are	£ 8,543	£ 168,793
	<u> </u>	<u> </u>

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

BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 1997

5. INTEREST RECEIVABLE

	1997 £	1996 £
Other interest receivable	£ 403	£ -

6. INTEREST PAYABLE

	1997 £	1996 £
On bank loans and overdrafts	28,825	7,636
On other loans	10,000	1,458
	<u>38,825</u>	<u>9,094</u>
On finance leases and hire purchase contracts	1,358	1,482
	<u>£ 40,183</u>	<u>£ 10,576</u>

7. TAXATION

	1997 £	1996 £
Current year taxation		
UK corporation tax at 21% (1996 - 24%)	65,000	35,000
Prior years		
UK corporation tax	(2)	4,975
	<u>£ 64,998</u>	<u>£ 39,975</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 £10,600 (1996 - £7,500) as follows:

Capital allowances in advance of depreciation	£ 10,600	£ 7,500
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BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 1997

8. TANGIBLE ASSETS

	Freehold Land & Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 1997	362,296	96,360	326,428	785,084
Additions	-	25,662	75,076	100,738
Disposals	-	-	(21,150)	(21,150)
At 31 December 1997	<u>362,296</u>	<u>122,022</u>	<u>380,354</u>	<u>864,672</u>
Depreciation				
At 1 January 1997	-	35,451	154,712	190,163
Charge for year	7,246	11,422	54,047	72,715
On disposals	-	-	(16,370)	(16,370)
At 31 December 1997	<u>7,246</u>	<u>46,873</u>	<u>192,389</u>	<u>246,508</u>
Net Book Value				
At 31 December 1997	<u>£ 355,050</u>	<u>£ 75,149</u>	<u>£ 187,965</u>	<u>£ 618,164</u>
At 31 December 1996	<u>£ 362,296</u>	<u>£ 60,909</u>	<u>£ 171,716</u>	<u>£ 594,921</u>

Included in land and buildings is freehold land valued at £80,000 (1996 - £80,000) which is not depreciated.

Included above are assets held under finance leases or hire purchase contracts as follows:

	1997	1996
	£	£
Motor vehicles	-	29,583
	<u>£ -</u>	<u>£ 29,583</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings	Total
	£	£
Cost		
At 1 January 1997	7,500	7,500
At 31 December 1997	<u>7,500</u>	<u>7,500</u>
Provisions		
Charge for year	7,500	7,500
At 31 December 1997	<u>7,500</u>	<u>7,500</u>
Net Book Value		
At 31 December 1997	<u>£ -</u>	<u>£ -</u>
At 31 December 1996	<u>£ 7,500</u>	<u>£ 7,500</u>

BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 1997

The investment is in a subsidiary, Basic Partition Merchants (SW) Limited, comprising a holding of 75% of its issued ordinary capital. This company has been dormant for several years and was struck off the Companies Register after the year end. Full provision has been made against the cost of this investment.

10. STOCKS

	1997 £	1996 £
Raw materials	£ 642,671	£ 524,725

11. DEBTORS

Due within one year

	1997 £	1996 £
Trade debtors	1,012,888	767,998
Other debtors	3,526	5,227
Prepayments and accrued income	63,508	63,849
	£ 1,079,922	£ 837,074

12. CURRENT ASSET INVESTMENTS

	1997 £	1996 £
Other investments	£ 208,708	£ -

13. CREDITORS:

Amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	247,617	359,353
Net obligations under finance lease and hire purchase contracts	-	14,483
Trade creditors	385,988	317,347
Corporation tax	65,000	35,000
Social security and other taxes	124,499	81,419
Other creditors	329,368	4,516
Accruals and deferred income	265,321	203,211
	£ 1,417,793	£ 1,015,329

Included in other creditors is an amount of £136,664 (1996 : £20) due to G Jones, a director.

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.

BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 1997

14. CREDITORS:

Amounts falling due after more than one year

	1997 £	1996 £
Bank loans and overdrafts	140,252	184,736
	<u>£ 140,252</u>	<u>£ 184,736</u>
Included within the above are amounts falling due as follows:		
In 1 - 2 years:		
Loan instalments	49,307	45,385
In 2 - 5 years:		
Loan instalments	90,945	139,351

15. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	£ 100	£ 100

16. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds

	1997 £	1996 £
Profit for the year	227,265	125,034
Opening shareholders' funds	764,155	£ 639,121
Closing shareholders' funds	<u>£ 991,420</u>	<u>£ 764,155</u>

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

	1997 £	1996 £
Returns on investments and servicing of finance		
Interest received	403	-
Interest paid	(28,825)	(9,094)
Interest element of finance lease rentals	(1,358)	(1,482)
Net cash outflow for returns on investments and servicing of finance	<u>£ (29,780)</u>	<u>£ (10,576)</u>

BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 1997

	1997 £	1996 £
17. ANALYSIS OF CASH FLOWS FOR HEADINGS		
NETTED IN THE CASH FLOW STATEMENT (Continued)		
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(100,738)	(464,312)
Sale of tangible fixed assets	3,800	2,484
Net cash outflow for capital expenditure	<u>£ (96,938)</u>	<u>£ (461,828)</u>
Management of liquid resources		
Purchase of current asset investments	(20,500)	-
Net cash (outflow)/inflow for management of liquid resources	<u>£ (20,500)</u>	<u>£ -</u>

18. ANALYSIS OF NET DEBT

	At 1 January 1997 £	Cash flow £	Other changes £	At 31 December 1997 £
Net cash:				
Cash at bank and in hand	-	-		-
Bank overdrafts	(317,889)	115,657		(202,232)
	<u>(317,889)</u>	<u>115,657</u>		<u>(202,232)</u>
Liquid resources:				
Current asset investments	-	20,500		20,500
Debt:				
Finance leases	(14,483)	14,483	-	-
Debt due within 1 year	(41,464)	40,563	(44,484)	(45,385)
Debt due after 1 year	(184,736)	-	44,484	(140,252)
	<u>(240,683)</u>	<u>55,046</u>	<u>-</u>	<u>(185,637)</u>
Net debt	<u>£ (558,572)</u>	<u>£ 191,203</u>	<u>£ -</u>	<u>£ (367,369)</u>

19. OTHER COMMITMENTS

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1997 £	1996 £	1997 £	1996 £
Expiry date:				
Within 1 year	-	24,517	1,647	-
Between 2 and 5 years	38,000	-	20,436	13,780
In more than 5 years	112,750	132,500	-	-

BASIC PARTITION SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the year ended 31 December 1997**

20. TRANSACTIONS WITH DIRECTORS

During the year, G Jones, a director made loans to the company amounting to £136,644. The balance outstanding on his loan account at the end of the year was £136,664 due from the company.

21. RELATED PARTIES

During the year, purchases of £12,242 were made from Base Carpets Limited, a company in which G Jones is a shareholder and director. The company owed Base Carpets Limited £1,411 at the balance sheet date.

22. PENSION COSTS

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year represents amounts paid into this fund

23. ULTIMATE 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.