

BRADITE LIMITED

Company number

3202446

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ANNUAL ACCOUNTS

for the period ended 31st October 1996



MOORES ROWLAND

MANCHESTER

BRADITE LIMITED

Directors: J.S. Falder (appointed 23rd May 1996)  
 D.R. Mottershead (appointed 23rd May 1996)  
 S.B. Falder (appointed 31st January 1997)  
 T.R. Ayre (appointed 31st January 1997)  
 T.J.H. Brindley (appointed 31st January 1997)  
 R. Matthews (appointed 31st January 1997)

DIRECTORS REPORT

The directors present their report and the accounts for the period from 17th June 1996 to 31st October 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on 22nd May 1996 and commenced to trade on 17th June 1996.

The principal activities of the company during the period was the manufacture and distribution of paints and surface coatings.

The directors were satisfied with the results for the first period of trading, the company having established its markets and the results being within expectations. They now look forward to a profitable future and consider the company's financial position at the end of the period to be sound.

RESULTS AND DIVIDENDS

The results are shown in the profit and loss account on page 4.

The directors do not recommend that a dividend be declared but that the profit and loss account balance be carried forward.

SHARE CAPITAL

The company was incorporated with an authorised share capital of 1,000,000 ordinary shares of £1 each and on 31st January 1997 this was revised to 500,000 9% cumulative non-participating redeemable preference shares of £1 each, 100,000 "A" ordinary shares of £1 each and 400,000 "B" ordinary shares of £1 each.

On 31st January 1997 240,000 preference shares, 79,999 "A" ordinary shares and 18,000 "B" ordinary shares were issued for cash at par.

DIRECTORS AND INTERESTS IN SHARES

The directors of the company and the number of shares in the company in which they had an interest, as defined by the Companies Act 1985, were as follows:

	Ordinary Shares of £1 each	
	At 31st January 1997	
	"A"	"B"
J.S. Falder	20,000	-
D.R. Mottershead	40,000	-
S.B. Falder	20,000	-
T.R. Ayre	-	2,000
T.J.H. Brindley	-	2,000
R. Matthews	-	2,000

The subscriber share, which was the only share in issue between incorporation and 31st January 1997, was held by Mr. J.S. Falder.

BRADITE LIMITEDDIRECTORS REPORT (continued)

## DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the financial year. In doing so, the directors are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the accounts on a 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 that disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the accounts 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.

## AUDITORS

Moore Rowland, Chartered Accountants, who were appointed by the directors during the year, have signified their willingness to continue in office.

By order of the Board

Registered Office:

Collyhurst Road,  
Collyhurst,  
Manchester,  
M40 7RU.

  
J.S. Falder  
Secretary

18th February 1997.

AUDITORS REPORT TO THE MEMBERS OF

BRADITE LIMITED

We have audited the accounts on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

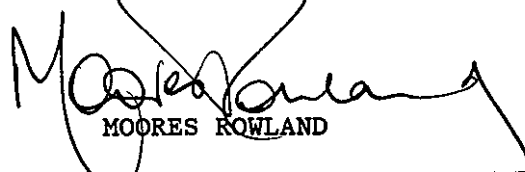
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st October 1996 and of its result for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
MOORES ROWLAND  
Chartered Accountants  
Registered Auditors

Wilmslow,  
Cheshire.

 1997.  
3rd March 1997

BRADITE LIMITEDPROFIT AND LOSS ACCOUNTfor the period ended 31st October 1996

	Notes	£
TURNOVER	2	365,928
Cost of sales		212,464
		-----
GROSS PROFIT		153,464
Distribution and administrative costs	3	180,863
		-----
		(27,399)
Investment income	4	1,310
		-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(26,089)
Tax on profit on ordinary activities	6	-
		-----
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(26,089)
		-----
LOSS FOR THE YEAR		(26,089)
Retained profit brought forward		-
		-----
DEFICIT CARRIED FORWARD		£(26,089)
		=====

All of the company's operations are continuing.

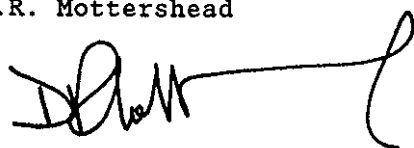
All recognised gains and losses are included in the profit and loss account.

BRADITE LIMITEDBALANCE SHEETas at 31st October 1996

	Notes	£	£
FIXED ASSETS			
Tangible	7		11,863
CURRENT ASSETS			
Stocks	8	322,408	
Debtors	9	413,117	
Cash at bank and in hand		1,800	
		-----	
		737,325	
CREDITORS - amounts falling due within one year	10	449,277	
		-----	
NET CURRENT ASSETS			288,048
TOTAL ASSETS LESS CURRENT LIABILITIES			-----
			£299,911
			=====
CREDITORS - amounts falling due after more than one year	11		325,999
CAPITAL AND RESERVES			
Share capital	12		1
Revenue reserves	13		(26,089)
			-----
			£299,911
			=====

Approved by the board on 18th February 1997:

D.R. Mottershead



BRADITE LIMITEDNOTES TO THE ANNUAL ACCOUNTS

## 1. ACCOUNTING POLICIES

The annual accounts have been prepared under the historical cost convention using the following accounting policies:

## DEPRECIATION OF TANGIBLE FIXED ASSETS

Fixed assets have been depreciated by the straight line method, so as to write them off over their anticipated useful lives, at the following annual rates:

Plant and machinery	10%
Fixtures and fittings	20%

## STOCK

Stock and work in progress have been valued at the lower of cost, including the appropriate proportion of overheads, and net realisable value.

A breakdown of stock is included in Note 8.

## OPERATING LEASES

The annual rentals under operating leases are charged to the profit and loss account as incurred.

## DEFERRED TAXATION

Deferred taxation has been provided, at the small companies rate, for all timing differences expected to reverse in the foreseeable future.

## TURNOVER

Turnover represents sales to customers at invoiced amounts, less Value Added Tax.

## FOREIGN CURRENCIES

Foreign currency assets, liabilities and trading results have been translated at the rates ruling at the balance sheet date.

## 2. TURNOVER

All the turnover of the company has been derived from the principal activity.

The geographical analysis is as follows:

Sales to United Kingdom	205,734
Rest of Europe	48,918
Other	111,276
	-----
	£365,928
	=====

BRADITE LIMITEDNOTES TO THE ANNUAL ACCOUNTS (continued)

3. DISTRIBUTION AND ADMINISTRATIVE COSTS	£
Distribution costs	7,470
Administrative costs	173,393
	-----
	£180,863
	=====

## 4. INVESTMENT INCOME

Bank interest receivable	£1,310
	=====

## 5. LOSS ON ORDINARY ACTIVITIES

Loss on ordinary activities has been arrived at after charging:

Depreciation of fixed assets	368
Directors' emoluments	27,083
Auditors' remuneration	4,000
Operating lease rentals - plant	7,336
	=====

## 6. TAXATION

No provision for taxation is required on the results for the period.

Tax losses in excess of £25,000 are available to carry forward against future trading profits.

## 7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	TOTAL £
COST			
Additions and at 31st October 1996	8,733	3,499	12,231
	=====	=====	=====
DEPRECIATION			
Provided this period and at 31st October 1996	168	200	368
	=====	=====	=====
NET BOOK VALUE			
At 31st October 1996	£8,565	£3,298	£11,863
	=====	=====	=====



BRADITE LIMITEDNOTES TO THE ANNUAL ACCOUNTS (continued)

	£
8. STOCKS	
Finished goods	74,468
Raw materials	247,940
	-----
	£322,408
	=====
9. DEBTORS	
Trade debtors	340,763
Taxation	49,814
Other debtors	75
Prepayments and accrued income	22,465
	-----
	£413,117
	=====
10. CREDITORS - amounts falling due within one year	
Trade creditors	384,565
Taxation and social security	10,200
Bank overdraft	35,168
Accruals and deferred income	19,344
	-----
	£449,277
	=====

The bank overdraft is secured by a fixed and floating charge over the assets and undertaking of the company.

## 11. CREDITORS - amounts falling due after more than one year

Loans	£325,999
	=====

The long term loans represent monies received in advance of the issue of shares on 31st January 1997 as detailed in note 12 below.

## 12. SHARE CAPITAL

## Authorised:

1,000,000 Ordinary shares of £1 each	£1,000,000
	=====

## Allotted and fully paid:

1 Ordinary shares of £1 each	£1
	=====

The company was incorporated with an authorised share capital of 1,000,000 ordinary shares of £1 each and on 31st January 1997 this was revised to 500,000 9% cumulative non-participating redeemable preference shares of £1 each, 100,000 "A" ordinary shares of £1 each and 400,000 "B" ordinary shares of £1 each.

On 31st January 1997 240,000 preference shares, 79,999 "A" ordinary shares and 18,000 "B" ordinary shares were issued for cash at par.

BRADITE LIMITEDNOTES TO THE ANNUAL ACCOUNTS (continued)

## 12. SHARE CAPITAL (continued)

The preference shares are redeemable at par

- a) five years from the month of issue, provided that there are sufficient reserves available, or
- b) at the option of the company, after expiry of three months notice, or
- c) the date at which the equity shares are admitted to the official list of the Stock Exchange or any other recognised investment exchange, or
- d) the date at which an offer to purchase 90% of the equity share capital becomes unconditional.

## 13. SHAREHOLDERS FUNDS AND RESERVES

£

## a) Reconciliation of movements on shareholders funds:

Loss for the period	(26,089)
Issue of shares	1
	-----
Closing shareholders funds	£(26,088)
	=====

## b) Reserves

Revenue  
£

At 1st June 1996	-
Transfer of profit	(26,089)
	-----
At 31st October 1996	£(26,089)
	=====

## 14. FINANCIAL COMMITMENTS

## a) Capital commitments

Capital expenditure on fixed assets, authorised by the directors at the period end, that had not been provided for in the accounts was as follows:

Contracts not placed	£230,000
	=====

## b) Other commitments

The company has annual commitments under non-cancellable operating leases as follows:

Plant leases

Expiring within one year	£17,600
	=====

BRADITE LIMITEDNOTES TO THE ANNUAL ACCOUNTS (continued)

## 15. DIRECTORS AND OTHER EMPLOYEES

The average number of persons employed by the company during the period was as follows:

Production	9
Selling and distribution	5
Administration	4
Research and development	1
	--
	19
	==

Staff costs include the following:

	£
Wages and salaries	138,863
Social security costs	8,831
	-----
	£147,694
	=====