

54.



McClure Watters

BODEL MANUFACTURING LTD

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 AUGUST 2001**

(as modified by Schedule 8 of
The Companies (Northern
Ireland) Order 1986

Co Reg No. NI 21901

REGISTERED

27 JAN 2002
R.

McCLURE WATTERS
Chartered Accountants
Registered Auditors

DEPARTMENT OF ENTERPRISE
TRADE AND INVESTMENT
COMPANIES REGISTRY

17 JAN 2002

COUNTER RECEIVED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2001**

The directors present their report and financial statements for the year ended 31 August 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture of tailor made worktops.

Directors

The following directors have held office since 1 September 2000:

D A Creighton	(Resigned 29 September 2000)
D S Watters	(Resigned 29 September 2000)
Y Magee	
G G Fetherston	
J Leckey	(Appointed 29 September 2000)
L Hansen	(Appointed 29 September 2000)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2001	1 September 2000
Y Magee	-	-
G G Fetherston	-	-
J Leckey	-	-
L Hansen	-	-

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 and directors report comply with the Companies (Northern Ireland) Order 1986. 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.

BODEL MANUFACTURING LTD



McClure Watters

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

Auditors

In accordance with Section 392 of the Companies (Northern Ireland) Order 1986, a resolution proposing that McClure Watters, Chartered Accountants, be re-appointed as auditors of the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

SECRETARY

REGISTERED OFFICE

9 Hull's Lane, Moira Road
Lisburn
BT28 2SR

Date:

02 / 01 / 2002

**AUDITORS' REPORT TO BODEL MANUFACTURING LTD
UNDER ARTICLE 255B OF THE COMPANIES (NORTHERN IRELAND) ORDER 1986**

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the year ended 31 August 2001 prepared under article 234 of the Companies (Northern Ireland) Order 1986.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 4 to the Companies (Northern Ireland) Order 1986 as modified by article 254A of that Order. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with article 254A(3) of the Order 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 considered 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 article 254A(3) of the Companies (Northern Ireland) Order 1986, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.

McClure Watters

McClure Watters

Chartered Accountants

Registered Auditor

Thomas House

14-16 James Street South

Belfast

N Ireland

BT2 7GA

2 January 2002

BODEL MANUFACTURING LTD



McClure Watters

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Gross profit		313,818	280,028
Establishment costs		(21,164)	(29,185)
Distribution costs		(233,776)	(236,990)
Administrative expenses		(12,358)	(20,401)
Other operating income		2,800	2,936
Management charges		40,000	110,000
Operating profit	2	89,320	106,388
Other interest receivable and similar income		11	11
Interest payable and similar charges	3	(9,270)	(6,607)
Profit on ordinary activities before taxation		80,061	99,792
Tax on profit on ordinary activities	4	(17,030)	(18,324)
Profit on ordinary activities after taxation	13	63,031	81,468

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 - 15 form part of the financial statements

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2001**

	2001	2000
	£	£
Profit for the financial year	63,031	81,468
Unrealised surplus on revaluation of properties	14,782	-
Total recognised gains and losses relating to the year	77,813	81,468

BODEL MANUFACTURING LTD

McClure Watters

**BALANCE SHEET
AS AT 31 AUGUST 2001**

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5		125,668		127,978
Current assets					
Stocks	6	290,769		243,813	
Debtors	7	591,261		392,375	
Cash at bank and in hand		1,062		39,043	
		<u>883,092</u>		<u>675,231</u>	
Creditors: amounts falling due within one year	8	<u>(339,414)</u>		<u>(208,876)</u>	
Net current assets			543,678		466,355
Total assets less current liabilities			<u>669,346</u>		<u>594,333</u>
Provisions for liabilities and charges	9		(8,700)		(8,700)
Accruals and deferred income	10		(23,200)		(26,000)
			<u>637,446</u>		<u>559,633</u>
Capital and reserves					
Called up share capital	12		18,000		18,000
Revaluation reserve	13		14,782		-
Other reserves	13		12,000		12,000
Profit and loss account	13		592,664		529,633
Shareholders' funds - equity interests	14		<u>637,446</u>		<u>559,633</u>

The financial statements were approved by the board on 2. January 2002.

Director:

The notes on pages 9 - 15 form part of the financial statements

These abbreviated accounts have been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) Order 1986 relating to medium-sized companies.

BODEL MANUFACTURING LTD**McClure Watters****CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001**

	2001 £	2000 £
Net cash (outflow)/inflow from operating activities (note 1)	(81,027)	11,586
Returns on investments and servicing of finance (note 2)	(9,259)	(6,596)
Taxation	(20,477)	(14,992)
Capital expenditure and financial investments (note 2)	4,000	-
Net cash outflow before management of liquid resources and financing	(106,763)	(10,002)
Financing (note 2)	-	(662)
Decrease in cash in the year	(106,763)	(10,664)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001**

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2001	2000		
		£	£		
	Operating profit	89,320	106,388		
	Depreciation of tangible assets	12,127	14,284		
	Loss on disposal of tangible assets	966	-		
	Increase in stocks	(46,956)	(12,425)		
	Increase in debtors	(198,886)	(107,659)		
	Increase in creditors within one year	65,202	13,934		
	Movement on grant provision	(2,800)	(2,936)		
	Net cash (outflow)/inflow from operating activities	(81,027)	11,586		
2	Gross Cash Flows				
	Returns on investments and servicing of finance				
	Interest received	11	11		
	Interest paid	(9,270)	(6,607)		
		(9,259)	(6,596)		
	Capital expenditure and financial investments				
	Receipts from sales of tangible assets	4,000	-		
	Financing				
	Capital element of hire purchase repayments	-	(662)		
3	Analysis of net debt	1 September 2000	Cash flow	Other non-cash changes	31 August 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	39,043	(37,981)		1,062
	Bank overdrafts	(95,697)	(68,783)		(164,480)
	Net debt	(56,654)	(106,764)	-	(163,418)
4	Reconciliation of net cash flow to movement in net debt		2001	2000	
			£	£	
	Decrease in cash in the year		(106,764)	(10,664)	
	Cash (inflow)/outflow from (increase)/decrease in debt		-	662	
	Movement in net debt in the year		(106,764)	(10,002)	
	Opening net debt		(56,654)	(46,652)	
	Closing net debt		(163,418)	(56,654)	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001****1 Accounting policies****1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	2% straight line basis
Plant and machinery	10% straight line basis
Fixtures, fittings & equipment	10% straight line basis
Motor vehicles	20% straight line basis

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolescent, slow moving and defective stocks.

1.6 Pensions

The company operates a defined contribution pension scheme providing benefits for its eligible employees. The pension cost charge represents contributions payable by the company to the fund in the year.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting policies

(continued)

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Operating profit

2001	2000
£	£

Operating profit is stated after charging:

Depreciation of tangible assets

12,127	14,284
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Auditors' remuneration

1,850	2,500
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Directors' emoluments

13,498	-
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and after crediting:

Government grants

2,800	2,936
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3 Interest payable

2001	2000
£	£

On amounts payable to Northern Bank

9,270	6,607
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4 Taxation

2001	2000
£	£

U.K. current year taxation

U.K. corporation tax at 20% (2000 - 20%)

16,330	19,777
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Prior years

U.K. corporation tax

700	(1,453)
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17,030	18,324
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001
5 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 September 2000	134,178	51,572	60,971	12,952	259,673
Revaluation	14,782	-	-	-	14,782
Disposals	-	-	-	(12,952)	(12,952)
At 31 August 2001	148,960	51,572	60,971	-	261,503
Depreciation					
At 1 September 2000	27,562	45,486	51,093	7,554	131,695
On disposals	-	-	-	(7,986)	(7,986)
Charge for the year	2,684	5,157	3,853	432	12,126
At 31 August 2001	30,246	50,643	54,946	-	135,835
Net book value					
At 31 August 2001	118,714	929	6,025	-	125,668
At 31 August 2000	106,616	6,086	9,878	5,398	127,978

6 Stocks

2001	2000
£	£

Stocks	290,769	243,813
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Stocks are entirely comprised of materials for the manufacture of worktops.

7 Debtors

2001	2000
£	£

Trade debtors	424,134	242,417
Amounts owed by parent and fellow subsidiary undertakings	163,751	146,708
Prepayments and accrued income	3,376	3,250
	591,261	392,375

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

8 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	164,480	95,697
Trade creditors	133,296	66,564
Corporation tax	16,330	19,777
Other tax and social security	14,133	17,094
Other creditors	11,175	9,744
	<u>339,414</u>	<u>208,876</u>

The bank facilities are secured by a floating charge over the assets and undertakings of the company and a fixed charge over the book debts of the company.

9 Provisions for liabilities and charges

**Deferred
taxation
£**

Balance at 1 September 2000 and at 31 August 2001	<u>8,700</u>
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Deferred taxation provided in the financial statements is as follows:

	Fully provided	
	2001	2000
	£	£
Deferred taxation	<u>8,700</u>	<u>8,700</u>

**Capital grant
reserve
£**

Balance at 1 September 2000	26,000
Grants received during the year	-
Amortisation in the year	(2,800)
Balance at 31 August 2001	<u>23,200</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

14 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year	63,031	81,468
Other recognised gains and losses	14,782	-
Net addition to shareholders' funds	77,813	81,468
Opening shareholders' funds	559,633	478,165
Closing shareholders' funds	637,446	559,633
15 Directors' emoluments	2001	2000
	£	£
Emoluments for qualifying services	13,498	-
16 Employees		
Number of employees		
The average number of employees (including executive directors) during the year was:		
	2001	2000
	Number	Number
Selling & administration	11	11
Employment costs	2001	2000
	£	£
Wages and salaries	176,388	174,035
Social security costs	16,659	16,473
Other pension costs	2,787	2,930
	195,834	193,438

17 Control

Bodel Manufacturing Limited is a wholly owned subsidiary of Bodel Holdings Limited, a company incorporated in Northern Ireland.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001**18 Related party transactions**

Bodel Manufacturing Limited carried out transactions during the year ended 31 August 2001 with Bodel Distributors Limited. These companies are both subsidiaries of Bodel Holdings Limited.

	2001 £	2000 £
Loan repayments/(receipts)	23,231	12,130
Management/(services) charges	(40,000)	(100,000)
Allocated expenses	(18,614)	(27,236)

Bodel Distributors Limited owed Bodel Manufacturing Limited £116,741 at the year end.

There were no amounts written off during the year between the companies.

Bodel Holdings Limited owed Bodel Manufacturing Limited £47,010 at the year end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

10 Accruals and deferred income

	Government grants £
Balance at 1 September 2000	26,000
Amortisation in the year	(2,800)
Balance at 31 August 2001	<u>23,200</u>

11 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £2787 (2000 - £2930). All contributions were paid in the year.

12 Share capital	2001 £	2000 £
Authorised		
30,000 Ordinary shares of £ 1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid		
18,000 Ordinary shares of £ 1 each	<u>18,000</u>	<u>18,000</u>

13 Statement of movements on reserves

	Revaluation reserve £	Other reserves £	Profit and loss account £
Balance at 1 September 2000	-	12,000	529,633
Retained profit for the year	-	-	63,031
Revaluation during the year	14,782	-	-
Balance at 31 August 2001	<u>14,782</u>	<u>12,000</u>	<u>592,664</u>