



00044307

BODEL MANUFACTURING LTD

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 AUGUST 2004**

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

Co Reg No. NI 21901

McCLURE WATTERS
Chartered Accountants
Registered Auditors

BODEL MANUFACTURING LTD

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7 - 8
Notes to the abbreviated accounts	9 - 16

BODEL MANUFACTURING LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2004

The directors present their report and financial statements for the year ended 31 August 2004.

Principal activities and review of the business

The principal activity of the company was the manufacture of tailor made worktops and distribution of household equipment and appliances.

Results and dividends

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

Directors

The following directors have held office since 1 September 2003:

Y Magee
G G Fetherston
J Leckey
L Hansen

Directors' interests

The directors' have no beneficial interests in the shares of the company.

The directors' beneficial interests in the shares of the parent company, Bodel Holdings Limited, were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2004	1 September 2003
Y Magee	-	-
G G Fetherston	1	1
J Leckey	-	-
L Hansen	-	-

The above shareholding by GG Fetherston represents 50% of the issued share capital of Bodel Holdings Limited.

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 (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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2004

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:

17/12/04

BODEL MANUFACTURING LTD

INDEPENDENT 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 16, together with the financial statements of the company for the year ended 31 August 2004 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 audit 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 16 are properly prepared in accordance with that provision.

McClure Watters

McClure Watters

Chartered Accountants
Registered Auditor

17/12/04

1 Lanyon Quay
Belfast
Co. Antrim
N Ireland
BT1 3GP

BODEL MANUFACTURING LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2004

	Notes	2004 £	2003 £
Gross profit		412,998	450,843
Establishment costs		(18,332)	(18,799)
Distribution costs		(291,712)	(276,217)
Administrative expenses		(37,096)	(44,518)
Other operating income		600	600
Management charges		65,000	44,000
Operating profit	2	131,458	155,909
Other interest receivable and similar income		109	473
Interest payable and similar charges	3	(12,526)	(12,970)
Profit on ordinary activities before taxation		119,041	143,412
Tax on profit on ordinary activities	4	(22,523)	(33,904)
Profit on ordinary activities after taxation	14	96,518	109,508

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

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 9 - 16 form part of the financial statements

BODEL MANUFACTURING LTD

BALANCE SHEET AS AT 31 AUGUST 2004

	Notes	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	5		134,615		115,141
Current assets					
Stocks	6	274,054		256,835	
Debtors	7	604,400		751,867	
Cash at bank and in hand		104,179		5,257	
		<u>982,633</u>		<u>1,013,959</u>	
Creditors: amounts falling due within one year	8	(145,242)		(270,708)	
Net current assets			<u>837,391</u>		<u>743,251</u>
Total assets less current liabilities			<u>972,006</u>		<u>858,392</u>
Creditors: amounts falling due after more than one year	9		(16,412)		-
Provisions for liabilities and charges	10		(8,023)		(6,739)
Accruals and deferred income	11		(21,400)		(22,000)
			<u>926,171</u>		<u>829,653</u>
Capital and reserves					
Called up share capital	13		18,000		18,000
Revaluation reserve	14		14,782		14,782
Other reserves	14		12,000		12,000
Profit and loss account	14		881,389		784,871
Shareholders' funds - equity interests	15		<u>926,171</u>		<u>829,653</u>

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.

The financial statements were approved by the Board on 16/12/04

Director



The notes on pages 9 - 16 form part of the financial statements

BODEL MANUFACTURING LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2004

	2004 £	2003 £
Net cash inflow from operating activities (note 1)	247,529	51,968
Returns on investments and servicing of finance (note 2)	(12,417)	(12,497)
Taxation	(32,493)	(19,386)
Capital expenditure and financial investments (note 2)	1,000	(1,679)
Net cash inflow before management of liquid resources and financing	203,619	18,406
Financing (note 2)	(3,788)	-
Increase/(decrease) in cash in the year	199,831	18,406

BODEL MANUFACTURING LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	131,458	155,909
	Depreciation of tangible assets	5,776	5,422
	Profit on disposal of tangible assets	(1,000)	-
	(Increase)/decrease in stocks	(17,219)	28,026
	Decrease/(increase) in debtors	147,467	(104,366)
	(Decrease) in creditors within one year	(18,353)	(32,423)
	Movement on grant provision	(600)	(600)
	Net cash inflow from operating activities	247,529	51,968

2 Gross Cash Flows

Returns on investments and servicing of finance

Interest received	109	473
Interest paid	(11,958)	(12,970)
Interest element of finance lease rentals	(568)	-
	(12,417)	(12,497)

Capital expenditure and financial investments

Payments to acquire tangible assets	-	(1,679)
Receipts from sales of tangible assets	1,000	-
	1,000	(1,679)

Financing

Capital element of hire purchase repayments	(3,788)	-
	(3,788)	-

3	Analysis of net funds/(debt)	1 September 2003	Cash flow	Other non-cash changes	31 August 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	5,257	98,922	-	104,179
	Bank overdrafts	(126,386)	100,909	-	(25,477)
		(121,129)	199,831	-	78,702
	Finance leases	-	3,788	(25,250)	(21,462)
	Net (debt)/funds	(121,129)	203,619	(25,250)	57,240

BODEL MANUFACTURING LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2004

4	Reconciliation of net cash flow to movement in net debt	2004 £	2003 £
	Increase in cash in the year	199,831	18,406
	Cash outflow from decrease in debt and lease financing	3,788	-
	Change in net debt resulting from cash flows	203,619	18,406
	New finance lease	(25,250)	-
	Movement in net funds/(debt) in the year	178,369	18,406
	Opening net debt	(121,129)	(139,535)
	Closing net funds/(debt)	57,240	(121,129)

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004

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

1.4 Leasing and hire purchase commitments

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.

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

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	2004 £	2003 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	5,776	5,422
	Auditors' remuneration	3,050	3,000
	Directors' emoluments	13,420	21,283
	and after crediting:		
	Government grants	600	600
		<u> </u>	<u> </u>
3	Interest payable	2004 £	2003 £
	Hire purchase interest	568	-
	On amounts payable to Northern Bank	11,958	12,970
		<u> </u>	<u> </u>
		12,526	12,970
		<u> </u>	<u> </u>

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

4	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	21,239	32,493
	Current tax charge	21,239	32,493
	Deferred tax		
	Deferred tax charge/(credit) current year	1,284	1,411
		22,523	33,904
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	119,041	143,412
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.88 % (2003 : 23.01 %)	23,665	32,999
	Effects of:		
	Non deductible expenses	92	109
	Capital allowances	(2,200)	(477)
	Amortisation of grants	(119)	(138)
	Profit on Disposal of non eligible assets	(199)	-
		(2,426)	(506)
	Current tax charge	21,239	32,493

Factors affecting the future tax charges

Based on current capital investment plans the company expects to be able to claim capital allowances in excess of depreciation in future years but at a slightly lower level than in the current year.

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

5 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 September 2003	148,960	54,338	60,971	264,269
Additions	-	25,250	-	25,250
	<u>148,960</u>	<u>79,588</u>	<u>60,971</u>	<u>289,519</u>
At 31 August 2004	148,960	79,588	60,971	289,519
Depreciation				
At 1 September 2003	36,204	51,953	60,971	149,128
Charge for the year	2,979	2,797	-	5,776
	<u>39,183</u>	<u>54,750</u>	<u>60,971</u>	<u>154,904</u>
At 31 August 2004	39,183	54,750	60,971	154,904
Net book value				
At 31 August 2004	<u>109,777</u>	<u>24,838</u>	<u>-</u>	<u>134,615</u>
At 31 August 2003	<u>112,756</u>	<u>2,385</u>	<u>-</u>	<u>115,141</u>

Freehold Land and Buildings

The freehold buildings were valued at their expected open market value of £148,960 on 12th September 2000 by external professional surveyors, Morrow & Company. The depreciated historical cost of the buildings would be £96,179 had no revaluation taken place. No interim revaluation has been undertaken this year as, in the opinion of the Directors, the Net Book Value of the property is not materially different to the open market value.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

6 Stocks

	2004 £	2003 £
Stocks	<u>274,054</u>	<u>256,835</u>

Stocks are entirely comprised of materials for the manufacture of worktops.

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

7 Debtors	2004 £	2003 £
Trade debtors	412,516	553,313
Amounts owed by parent and fellow subsidiary undertakings	186,654	194,150
Prepayments and accrued income	5,230	4,404
	<u>604,400</u>	<u>751,867</u>

8 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	25,477	126,386
Net obligations under hire purchase contracts	5,050	-
Trade creditors	61,386	87,990
Corporation tax	21,239	32,493
Other tax and social security	20,662	12,418
Other creditors	11,428	11,421
	<u>145,242</u>	<u>270,708</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 Creditors: amounts falling due after more than one year	2004 £	2003 £
Net obligations under hire purchase contracts	<u>16,412</u>	<u>-</u>
Net obligations under hire purchase contracts		
Repayable within one year	5,050	-
Repayable between one and five years	16,412	-
	<u>21,462</u>	<u>-</u>
Included in liabilities falling due within one year	(5,050)	-
	<u>16,412</u>	<u>-</u>

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 September 2003	6,739
Profit and loss account	1,284
	<hr/>
Balance at 31 August 2004	8,023
	<hr/> <hr/>

Deferred taxation provided in the financial statements is as follows:

	Fully provided 2004 £	2003 £
Deferred taxation	8,023	6,739
	<hr/> <hr/>	<hr/> <hr/>

11 Accruals and deferred income

	Government grants £
Balance at 1 September 2003	22,000
Amortisation in the year	(600)
	<hr/>
Balance at 31 August 2004	21,400
	<hr/> <hr/>

12 Pension costs

Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	5,266	3,166
	<hr/> <hr/>	<hr/> <hr/>

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

13 Share capital		2004	2003
		£	£
Authorised			
30,000 Ordinary shares of £ 1 each		30,000	30,000
Allotted, called up and fully paid			
18,000 Ordinary shares of £ 1 each		18,000	18,000
14 Statement of movements on reserves			
	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 September 2003	14,782	12,000	784,871
Retained profit for the year	-	-	96,518
Balance at 31 August 2004	14,782	12,000	881,389
Other reserves			
Capital redemption reserve			
Balance at 1 September 2003 & at 31 August 2004		12,000	
15 Reconciliation of movements in shareholders' funds		2004	2003
		£	£
Profit for the financial year		96,518	109,508
Opening shareholders' funds		829,653	720,145
Closing shareholders' funds		926,171	829,653
16 Directors' emoluments		2004	2003
		£	£
Emoluments for qualifying services		13,420	21,283

BODEL MANUFACTURING LTD

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

17 Employees

Number of employees

The average number of employees (including executive directors) during the year was:

	2004 Number	2003 Number
Selling & administration	11	11

Employment costs

	2004 £	2003 £
Wages and salaries	217,236	205,875
Social security costs	24,107	20,405
Other pension costs	5,266	3,166
	246,609	229,446

18 Control

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

19 Related party transactions

Bodel Manufacturing Limited carried out transactions during the year ended 31 August 2004 with Bodel Distributors Limited. These companies are both subsidiaries of Bodel Holdings Limited.

The following material transactions took place during the year with Bodel Distributors Limited

	2004 £	2003 £
Loan repayments/(receipts)	73,554	69,262
Management charges	(65,000)	(44,000)
Allocated expenses	(50,231)	(45,749)

Bodel Distributors Limited owed Bodel Manufacturing Limited £139,644 at the year end (last year: £147,140).

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 (last year: £47,010)
No transactions occurred between Bodel Manufacturing Limited and Bodel Holdings Limited during this financial year.