

SHIPLEY PAINT LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 NOVEMBER 1999



Company no: 335572

SHIPLEY PAINT LIMITED

ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

Company registration number: 335572

Registered office: Otley Road
Charlestown
Baildon
Shipley
West Yorkshire
BD17 7DP

Directors: D Smith
M Smith
D B Cavill

Secretary: D B Cavill

Solicitors: Blacks
Eversheds

Auditors: Grant Thornton
Registered auditors
Chartered accountants
Eldon Lodge
Eldon Place
Bradford
BD1 3AP

SHIPLEY PAINT LIMITED

ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

INDEX	PAGE
Report of the directors	1 - 2
Report of the auditors	3
Principal accounting policies	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 - 16

SHIPLEY PAINT LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 November 1999.

Principal activity

The company is principally engaged in the manufacture of paint and the supply of ancillary products.

Business review

There was a profit for the year after taxation amounting to £224,358 (1998: £270,596). A dividend of £2 per share was paid on 25 November 1999 absorbing £150,000.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

D Smith
M Smith
D B Cavill

Mr M Smith retires by rotation and being eligible offers himself for re-election.

The interests of the directors in the shares of the company as at 1 December 1998 and 30 November 1999, were as follows:

	1999 and 1998 Number of shares
D Smith	30,000
M Smith	30,000
D B Cavill	15,000

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

Directors' responsibilities for the financial statements

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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SHIPLEY PAINT LIMITED

REPORT OF THE DIRECTORS

Year 2000 compliance

The company reviewed its computer systems for the impact of the Year 2000 date change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the Year 2000 date change and through any roll-over procedures that occurred at a later date.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the company's business to a greater or lesser extent.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



D B Cavill
Director
25 January 2000

**REPORT OF THE AUDITORS TO SHIPLEY PAINT LIMITED UNDER SECTION 247B OF
THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 4 to 16 together with the full financial statements of Shipley Paint Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1999.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of 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 to the registrar of companies abbreviated accounts prepared in accordance with section 246A(3) of the Act and whether the abbreviated accounts have been properly prepared in accordance with that provision.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts, and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with the events after the date of our report on the full 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 4 to 16 have been properly prepared in accordance with that provision.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

BRADFORD
25 January 2000

SHIPLEY PAINT LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The periods generally applicable are:

Freehold properties	50 years
Leasehold properties	10 years
Plant and machinery	7, 10 and 15 years
Fixtures and fittings	4, 7, 10 and 15 years
Motor vehicles	4 years

INVESTMENTS

Investments are included at cost less amounts written off.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONTRIBUTIONS TO PENSION FUNDS

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

SHIPLEY PAINT LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

For the year ended 30 November 1999

	Note	1999 £	1999 £	1998 £	1998 £
Gross profit			4,017,655		4,099,168
Staff costs	3	2,399,829		2,049,955	
Depreciation	1	174,228		161,393	
Other operating charges		<u>1,054,675</u>		<u>1,414,566</u>	
			3,628,732		3,625,914
Operating profit			388,923		473,254
Net interest	2		<u>91,262</u>		<u>108,504</u>
Profit on ordinary activities before taxation	1		297,661		364,750
Tax on profit on ordinary activities	4		<u>73,303</u>		<u>94,154</u>
Profit on ordinary activities after taxation			224,358		270,596
Dividends	5		<u>150,000</u>		<u>150,000</u>
Profit retained			74,358		120,596
Statement of retained profits					
At 1 December 1998			1,715,844		1,595,248
Profit for the financial year			<u>74,358</u>		<u>120,596</u>
At 30 November 1999			1,790,202		1,715,844

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

SHIPLEY PAINT LIMITED

ABBREVIATED BALANCE SHEET AT 30 NOVEMBER 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	6	1,793,200	1,971,980
Investments	7	81,501	81,501
		<u>1,874,701</u>	<u>2,053,481</u>
Current assets			
Stocks	8	1,398,000	1,287,000
Debtors	9	1,846,369	1,674,109
Cash at bank and in hand		131,760	38,508
		<u>3,376,129</u>	<u>2,999,617</u>
Creditors: amounts falling due within one year	10	<u>2,807,320</u>	<u>2,468,368</u>
Net current assets		<u>568,809</u>	<u>531,249</u>
Total assets less current liabilities		<u>2,443,510</u>	<u>2,584,730</u>
Creditors: amounts falling due after more than one year	11	339,608	572,336
Provisions for liabilities and charges	13	<u>213,700</u>	<u>196,550</u>
		<u>1,890,202</u>	<u>1,815,844</u>
Capital and reserves - Equity			
Called up share capital	15	75,000	75,000
Capital redemption reserve	16	25,000	25,000
Profit and loss account	16	<u>1,790,202</u>	<u>1,715,844</u>
Shareholders' funds	17	<u>1,890,202</u>	<u>1,815,844</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board of Directors on 25 January 2000.

D Smith



Director

D B Cavill



Director

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

SHIPLEY PAINT LIMITED**CASH FLOW STATEMENT**

For the year ended 30 November 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	18	<u>648,227</u>	<u>543,554</u>
Returns on investments and servicing of finance			
Interest received		2,923	1,121
Interest paid		(84,807)	(91,099)
Finance lease interest paid		<u>(16,163)</u>	<u>(10,807)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(98,047)</u>	<u>(100,785)</u>
Taxation			
UK corporation tax paid		<u>(53,618)</u>	<u>(45,720)</u>
Capital expenditure			
Purchase of tangible fixed assets		(181,557)	(74,562)
Sale of tangible fixed assets		<u>8,144</u>	<u>3,000</u>
Net cash outflow from acquisition and disposals		<u>(173,413)</u>	<u>(71,562)</u>
Equity dividends paid		<u>(56,250)</u>	<u>(150,000)</u>
Financing			
Receipt from borrowing		89,032	157,703
Repayment of borrowings		(184,865)	(66,910)
Capital element of finance lease rentals		<u>(77,814)</u>	<u>(59,706)</u>
Net cash inflow from financing	20	<u>(173,647)</u>	<u>31,087</u>
Increase in cash	19	<u>93,252</u>	<u>206,574</u>

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	8,000	7,000
Depreciation:		
Tangible fixed assets, owned	137,338	136,360
Tangible fixed assets, held under finance leases and hire purchase contracts	36,890	25,033
Hire of plant and machinery	<u>221,856</u>	<u>232,186</u>

2 NET INTEREST

	1999 £	1998 £
On bank loans	25,275	43,319
Finance charges in respect of finance leases	15,993	11,287
Other interest payable and similar charges	<u>52,917</u>	<u>55,019</u>
	94,185	109,625
Other interest receivable and similar income	<u>(2,923)</u>	<u>(1,121)</u>
	<u>91,262</u>	<u>108,504</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	2,042,776	1,761,462
Social security costs	188,434	171,636
Other pension costs	<u>168,619</u>	<u>116,857</u>
	<u>2,399,829</u>	<u>2,049,955</u>

The average number of employees of the company during the year was 114 (1998: 117).

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

DIRECTORS AND EMPLOYEES (CONTINUED)

Remuneration in respect of directors was as follows:

	1999 £	1998 £
Emoluments	494,205	284,574
Pension contributions to money purchase pension schemes	151,231	99,401
	<u>645,436</u>	<u>383,975</u>

During the year 3 directors (1998: 3) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director, as follows:

	1999 £	1998 £
Emoluments	175,949	107,687
Pension contributions to money purchase pension schemes	57,588	23,657
	<u>233,537</u>	<u>131,344</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1999 £	1998 £
Corporation tax @ 20% (1998: 21%)	56,153	48,202
Deferred tax (note 13)	14,550	42,750
	<u>70,703</u>	<u>90,952</u>
Adjustments in respect of prior year:		
Corporation tax	-	(3,898)
Deferred tax (note 13)	2,600	7,100
	<u>73,303</u>	<u>94,154</u>

5 DIVIDEND

	1999 £	1998 £
Equity dividends:		
Ordinary shares - dividend of £2 per share paid 25 November 1999 (1998: £2)	<u>150,000</u>	<u>150,000</u>

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold property £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost						
At 1 December 1998	699,511	32,832	704,148	1,877,505	84,659	3,398,655
Additions	3,670	-	13,949	42,500	42,025	102,144
Disposals	-	-	-	(105,452)	(11,744)	(117,196)
At 30 November 1999	<u>703,181</u>	<u>32,832</u>	<u>718,097</u>	<u>1,814,553</u>	<u>114,940</u>	<u>3,383,603</u>
Depreciation						
At 1 December 1998	102,555	29,549	400,391	871,959	22,221	1,426,675
Provided in the year	14,040	3,283	51,155	84,894	20,856	174,228
Eliminated on disposal	-	-	-	(8,787)	(1,713)	(10,500)
At 30 November 1999	<u>116,595</u>	<u>32,832</u>	<u>451,546</u>	<u>948,066</u>	<u>41,364</u>	<u>1,590,403</u>
Net book amount at 30 November 1999	<u>586,586</u>	<u>-</u>	<u>266,551</u>	<u>866,487</u>	<u>73,576</u>	<u>1,793,200</u>
Net book amount at 30 November 1998	<u>596,956</u>	<u>3,283</u>	<u>303,757</u>	<u>1,005,546</u>	<u>62,438</u>	<u>1,971,980</u>

The figures stated above include assets held under finance leases, as follows:

	Plant and machinery £	Motor vehicles £
Net book amount at 30 November 1999	<u>218,700</u>	<u>72,772</u>
Net book amount at 30 November 1998	<u>235,608</u>	<u>50,729</u>

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 December 1998 and 30 November 1999	86,501
Amounts written off in previous years	5,000
Net book amount at 30 November 1999 and 30 November 1998	<u>81,501</u>

In the opinion of the directors the aggregate value of the shares in the subsidiary undertakings is not less than the aggregate amounts at which these assets are stated in the company's balance sheet.

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

7 FIXED ASSET INVESTMENTS (CONTINUED)

At 30 November 1999 the company held 100% of the allotted share capital of the following undertakings:

	Country of registration and operation	Class of share capital held	Proportion held	Nature of business
John Hargreaves & Son (Bradford) Limited	England	Ordinary	100%	Dormant
Paintfire Limited	England	Ordinary	100%	Dormant

The subsidiary undertakings have not been consolidated because, in the opinion of the directors, they are not material to the financial statements even when taken together.

8 STOCKS

	1999 £	1998 £
Raw materials and consumable stores	572,600	534,200
Finished goods and goods for resale	825,400	752,800
	<u>1,398,000</u>	<u>1,287,000</u>

9 DEBTORS

	1999 £	1998 £
Trade debtors	1,733,806	1,519,047
Other debtors	56,753	38,492
Prepayments and accrued income	55,810	116,570
	<u>1,846,369</u>	<u>1,674,109</u>

SHIPLEY PAINT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 30 November 1999

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank loans	80,952	80,952
Trade creditors	1,270,026	1,053,649
Amounts due to subsidiary undertakings	81,501	81,501
Corporation tax	68,487	59,279
Social security and other taxes	182,041	168,400
Other creditors	74,675	195,427
Directors' pension fund loan	104,000	104,000
Directors' loan accounts	460,360	371,328
Pension contributions	5,220	5,003
Accruals	396,195	271,015
Amounts due under finance leases	83,863	77,814
	<u>2,807,320</u>	<u>2,468,368</u>

The bank loans are secured by a fixed and floating charge over all the assets of the company.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Bank loans	235,017	315,882
Amounts due under finance leases	104,591	152,454
Directors' pension fund loan	-	104,000
	<u>339,608</u>	<u>572,336</u>

The bank loans are secured by a fixed and floating charge over all the assets of the company.

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

12 BORROWINGS

Borrowings are repayable as follows:

	1999 £	1998 £
Within one year:		
Bank loans and overdraft	80,952	80,952
Finance leases	83,863	77,814
Directors' pension fund loan	104,000	104,000
Directors' loan accounts	460,360	371,328
After one and within two years:		
Bank loans	80,952	80,952
Finance leases	46,563	78,377
Directors' pension fund loan	-	104,000
After two and within five years:		
Bank loans	154,065	234,930
Finance leases	58,028	74,077
	<u>1,068,783</u>	<u>1,206,430</u>

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 December 1998	196,550
Provided during the year	17,150
At 30 November 1999	<u>213,700</u>

14 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below. The amount provided represents the total potential liability and is calculated using a tax rate of 30% (1998: 30%).

	Amount provided	
	1999 £	1998 £
Accelerated capital allowances	<u>213,700</u>	<u>196,550</u>

SHIPLEY PAINT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 30 November 1999

15 SHARE CAPITAL

	1999 £	1998 £
Authorised: 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid: 75,000 ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

16 RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 December 1998	25,000	1,715,844
Profit for the financial year	-	74,358
At 30 November 1999	<u>25,000</u>	<u>1,790,202</u>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	224,358	270,596
Dividends	<u>150,000</u>	<u>150,000</u>
Net increase in shareholders' funds	74,358	120,596
Shareholders' funds at 30 November 1998	<u>1,815,844</u>	<u>1,695,248</u>
Shareholders' funds at 30 November 1999	<u>1,890,202</u>	<u>1,815,844</u>

18 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	388,923	473,254
Depreciation	174,228	161,393
Profit on sale of tangible fixed assets	(6,900)	(133)
Increase in stock	(111,000)	123,500
Increase in debtors	(154,000)	(7,780)
Increase in creditors	356,976	(206,680)
Net cash inflow from operating activities	<u>648,227</u>	<u>543,554</u>

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBTS

	1999 £	1998 £
Increase in cash in the year	(93,252)	(206,574)
Cash inflow from financing	89,032	157,703
Cash outflow from finance leases	(262,679)	(126,616)
Change in net debt results from cash flows	(266,899)	(175,487)
Inception of finance leases	36,000	175,165
Movement in net debt in the year	(230,899)	(322)
Net debt at 1 December 1998	1,167,922	1,168,244
Net debt at 30 November 1999	937,023	1,167,922

20 ANALYSIS OF CHANGES IN NET DEBT

	At 1 December 1998 £	Cash flow £	Non cash flow £	At 30 November 1999 £
Cash at bank and in hand	38,508	93,252	-	131,760
Debt	(976,162)	95,833	-	(880,329)
Finance leases	(230,268)	77,814	(36,000)	(188,454)
	<u>(1,167,922)</u>	<u>266,899</u>	<u>(36,000)</u>	<u>(937,023)</u>

21 CAPITAL COMMITMENTS

The were no capital commitments at 30 November 1999 or 30 November 1998.

22 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 November 1999 or 30 November 1998.

23 PENSIONS

The company operates defined contribution pension schemes for the benefit of the employees. The assets of the schemes are administered by trustees in funds independent from those of the company.

SHIPLEY PAINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 30 November 1999

24 LEASING COMMITMENTS

Operating lease payments amounting to £150,283 (1998: £194,174) are due within one year. The leases to which these amounts relate expire as follows:

	Plant and machinery	
	1999	1998
	£	£
In one year or less	34,929	18,767
Between one and five years	115,354	175,407
	<u>150,283</u>	<u>194,174</u>

25 TRANSACTIONS WITH RELATED PARTIES

The directors shown below had loans due from the company as follows:

	Amount of loan	
	1999	1998
Name of director	£	£
Mr D Smith	179,180	131,303
Mr M Smith	174,900	152,750
Mr D B Cavill	<u>106,280</u>	<u>87,275</u>

Interest is paid on the loan accounts at a commercial rate.

At the year end £104,000 was outstanding from this company to Shipley Paint Limited Self Administered Retirement Benefits Scheme. Interest of £19,549 was paid in respect of this loan.

During the year £23,737 was loaned to Superconder Limited, a company that is controlled by the directors. There is a balance of £51,816 outstanding at the year end.

26 CONTROLLING RELATED PARTIES

Mr D Smith and Mr M Smith, who are brothers, are the company's controlling related parties by virtue of their shareholdings.