

W K THOMAS & COMPANY LIMITED

REPORT OF THE DIRECTORS

Directors: Michael Henry Thomas  
Gillian Thomas

Secretary: Michael Henry Thomas

Registered Office: Mount Road, Chessington,  
Surrey, KT9 1HY

The Directors present their Report with the Accounts of the Company for the year ended 5th April 1986.

The principal activity of the Company is carrying on the trade of paper and disposable materials.

A summary of the results of the periods trading is given in the annexed Annual Accounts.

The Directors do not recommend the payment of a dividend.

The Directors in Office in the year and their beneficial interest in the issued ordinary share capital were as follows:-

	<u>1986</u>	<u>1985</u>
Michael Henry Thomas	9,993	9,180

Due to the demise of Mr R E Thomas, Mrs G C Thomas was appointed Director with effect from 23rd April 1986.

The Auditors, Messrs Thurston Watts & Company, will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

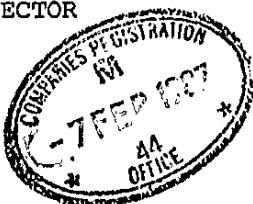
By Order of the Board

M H THOMAS

16.11.86

DIRECTOR

DATE

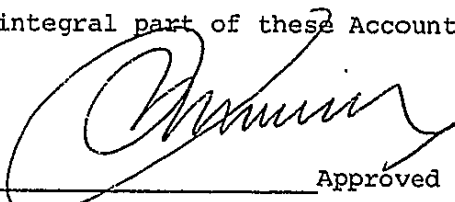


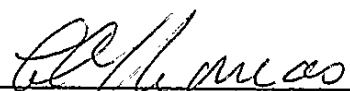
W K THOMAS & COMPANY LIMITED

BALANCE SHEET AS AT 5TH APRIL 1986

	<u>Notes</u>	<u>£</u>	<u>1986</u>	<u>£</u>	<u>1985</u>	<u>£</u>
<u>FIXED ASSETS</u>						
Tangible Assets	3		112,495			90,467
<u>CURRENT ASSETS</u>						
Stock		582,735		562,755		
Debtors	4	1,018,633		1,048,979		
Cash at Bank and in Hand		141,543		80,546		
		1,742,911		1,692,280		
<u>CREDITORS: Amounts falling due within one Year</u>						
		1,516,312		1,487,703		
<u>NET CURRENT ASSETS</u>						
			226,599			204,577
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>						
			£339,094			£295,044
			=====			=====
<u>CAPITAL AND RESERVES</u>						
Called up Share Capital			15,000			13,000
Profit and loss Account			324,094			282,044
			£339,094			£295,044
			=====			=====

\* The annexed Notes 1 to 11 form an integral part of these Accounts.

  
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Approved

  
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Approved

Approved by the Board on: 16.11.86

REPORT OF THE AUDITORS TO THE MEMBERS OF

W K THOMAS & COMPANY LIMITED

We have audited the annexed Financial Statements of W K Thomas & Company Limited in accordance with approved Auditing Standards and have carried out such procedures as we considered necessary having regard to the matters referred to in the following paragraph.

In common with many companies of similar size and organisation, the Company's system of control is adequate and dependent upon the close involvement of the directors who are the major shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion, the Financial Statements, which have been prepared under the historic cost convention, give a true and fair view of the state of the Company's financial affairs at 5th April 1986 and of its profit and source and application of funds for the year ended on that date, and comply with the Companies Act 1985.

*Thurston Watts & Co.*

THURSTON WATTS & COMPANY  
Chartered Accountants

39/41 North Road  
LONDON N7 9DP

W K THOMAS & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 5TH APRIL 1986

	<u>Notes</u>	<u>£</u>	<u>1986</u>	<u>£</u>	<u>1985</u>	<u>£</u>
<u>TURNOVER</u>	7		7,551,179		6,832,977	
Cost of Sales			6,546,731		5,925,889	
			<hr/>		<hr/>	
<u>GROSS PROFIT</u>			1,004,448		907,088	
Other Operating Charges			977,402		902,547	
			<hr/>		<hr/>	
<u>OPERATING PROFIT (LOSS)</u>	8		27,046		4,541	
Interest receivable		9,503			5,591	
Management Fees		9,500			9,000	
		<hr/>			<hr/>	
			19,003		14,591	
			<hr/>		<hr/>	
<u>PROFIT</u> on Ordinary Activities before Taxation			46,049		19,132	
<u>TAXATION</u>	9		4,000		-	
			<hr/>		<hr/>	
<u>PROFIT</u> for the Financial Year			42,049		19,132	
<u>RETAINED PROFIT</u> at 6th April 1985			282,045		262,912	
			<hr/>		<hr/>	
<u>RETAINED PROFIT</u> at 5th April 1986			£324,094		£282,044	
			=====		=====	

W K THOMAS & COMPANY LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 5TH APRIL 1986

	<u>£</u>	<u>1986</u>	<u>£</u>	<u>1985</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>					
Funds generated from operations:-					
Profit on Ordinary Activities before Taxation		46,049			19,132
Adjustment for items not involving the movement of Funds:					
(Profit) on Sale of Tangible Fixed Assets		(205)		-	
Depreciation of Tangible Fixed Assets		26,959		19,150	
		<u>26,754</u>			<u>19,150</u>
		72,803			38,282
Funds from other Sources:					
Issue of Shares		2,000		1,000	
Disposal of Tangible Fixed Assets		4,000		-	
		<u>6,000</u>			<u>1,000</u>
		78,803			39,282
<u>APPLICATION OF FUNDS</u>					
Purchase of Tangible Fixed Assets		52,779			27,427
		<u>£26,024</u>			<u>£11,855</u>
		=====			=====
<u>MOVEMENT IN WORKING CAPITAL</u>					
Stock	Increase	19,980		66,517	
Debtors	(Decrease)	(30,346)		201,561	
Creditors	(Increase)	(24,607)		(261,497)	
		<u>(34,973)</u>			<u>6,581</u>
Movement in Net Liquid Funds					
	Increase (Decrease)	60,997			5,274
		<u>£26,024</u>			<u>£11,855</u>
		=====			=====

NOTES TO THE ACCOUNTS - 5TH APRIL 19861. ACCOUNTING POLICIESa) Basis of Accounting

The Accounts have been prepared under the historic cost convention.

b) Turnover

Turnover represents invoiced sale of goods, less returns, excluding Value Added Tax.

c) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Land and Buildings	- NIL
Furniture & Equipment	- 25% W.D.U.
Motor Vehicles	- 25% W.D.V.

No depreciation is provided on freehold land and buildings.

d) Stocks

Stock and work in progress is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure.

e) Deferred Taxation

No provision is made for taxation liabilities which are expected to be deferred for some considerable period because of the availability of tax allowances for fixed asset expenditure and stock relief.

2. DIRECTORS' REMUNERATION

The emoluments of the Directors for the year amounted to £11^ 000 (1985 - £90,000) which was paid to one Director.

3. <u>TANGIBLE FIXED ASSETS</u>	Freehold Land <u>Buildings</u> £	Furniture & Equipment £	Motor Vehicles £	<u>TOTAL</u> £
Cost				
At 6th April 1985	32,995	83,343	44,291	160,629
Additions	-	15,137	37,642	52,779
Disposals	-	-	(8,950)	(8,950)
	<hr/>	<hr/>	<hr/>	<hr/>
At 5th April 1986	£32,995	£98,480	£72,983	£204,458
	=====	=====	=====	=====
Depreciation				
At 6th April 1985	-	48,511	21,651	70,162
Charge for the Year	-	12,469	14,487	26,956
Disposals	-	-	(5,155)	(5,155)
	<hr/>	<hr/>	<hr/>	<hr/>
At 5th April 1986	£NIL	£60,980	£30,983	£91,963
	===	=====	=====	=====
Written Down Values				
At 5th April 1986	£32,995	£37,500	£42,000	£112,495
	=====	=====	=====	=====
At 5th April 1985	£32,995	£34,832	£22,640	£90,467
	=====	=====	=====	=====

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W K THOMAS & COMPANY LIMITED

NOTES TO THE ACCOUNTS - 5TH APRIL 1986 (Continued)

<u>4. DEBTORS</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Trade Debtors	1,016,483	1,046,005
Other Debtors	2,150	2,974
	<u>£1,018,633</u>	<u>£1,048,979</u>
	=====	=====
<u>5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	1,308,452	1,307,550
Social Security and Other Taxes	87,275	71,152
Value Added Tax	9,203	-
Other Creditors	22,447	54,809
Director Loan Account (See Note 10)	76,648	45,895
Taxation	12,287	8,297
	<u>£1,516,312</u>	<u>£1,487,703</u>
	=====	=====
<u>6. CALLED UP SHARE CAPITAL</u>		
<u>Authorised,</u>		
50,000 Ordinary Shares of £1 each	£50,000	£50,000
	=====	=====
<u>Allotted, Issued and Fully Paid,</u>		
15,000 Ordinary Shares of £1 each	£15,000	£13,000
	=====	=====
<u>7. TURNOVER</u>		
The turnover and profit before taxation is attributable to the one principal activity of the Company.		
An analysis of turnover is given below:-		
United Kingdom	7,143,713	6,252,577
Exports	407,466	580,400
	<u>£7,551,179</u>	<u>£6,832,977</u>
	=====	=====
<u>8. OPERATING PROFIT (LOSS)</u>		
The operating profit is stated after charging:-		
Depreciation of Tangible Fixed Assets	26,751	19,150
Directors' Remuneration (See Note 2)	110,000	90,000
Auditors' Remuneration	4,000	4,000
	=====	=====
<u>9. TAXATION</u>		
The tax charge on the profit of the company for the year was as follows:-		
Balance at 6th April 1985	8,287	8,297
Add: Corporation Tax provision @ 30%	4,000	-
	<u>12,287</u>	<u>8,297</u>
Less: Corporation Tax paid for prior years	-	-
	<u>£12,287</u>	<u>£8,297</u>
	=====	=====

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W K THOMAS & COMPANY LIMITED

NOTES TO THE ACCOUNTS - 5TH APRIL 1986 (Continued)

10. DIRECTORS' LOAN

The Loans to the Company by the Directors are interest free.

11. BANK OVERDRAFTS

The Company has overdraft facilities with the bank of £150,000. This is secured by a floating charge on the tangible fixed assets and a charge over the other assets and undertakings of the Company.