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Company number 889669

COULSON JOINERY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



COULSON JOINERY LIMITED

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COULSON JOINERY LIMITED

COMPANY INFORMATION

Directors

C W James
P R James
S Terrell

Secretary

P S Cullum

Registered Office

William James House
Cowley Road
Cambridge
CB4 0WX

Auditor

Michael Lewis Audit Limited
William James House
Cowley Road
Cambridge
CB4 0WX

COULSON JOINERY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

Principal activity

The principal activity of the Company is the manufacture of general joinery and laboratory furniture.

Results

The profit for the year is shown in the profit and loss account on page 7.

Directors and directors' interests

The present directors of the company are set out on page 3.

In accordance with the Articles of Association, P R James retires by rotation and, being eligible, offers himself for re-election.

Those directors serving at the end of the year had interests in the share capital of the parent company at 31 December as set out below:

	Ordinary £1 Shares	
	2004	2003
C W James	2,636	2,636
P R James	2,286	2,286
S Terrell	<u>1,193</u>	<u>1,193</u>

No other director has any interest in the shares of the company or its ultimate holding company.

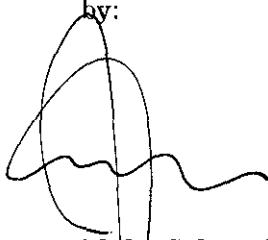
Auditor

The auditor, Michael Lewis Audit Limited is willing to continue in office and a resolution for his reappointment will be proposed at the forthcoming annual general meeting.

Approval

This directors report has been prepared taking advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies act 1985 on the grounds that the company qualifies as a small company.

The report of the Directors was approved by the Board on 1 June 2005 and signed on its behalf by:



Philip Sidney Cullum
Secretary

COULSON JOINERY LIMITED

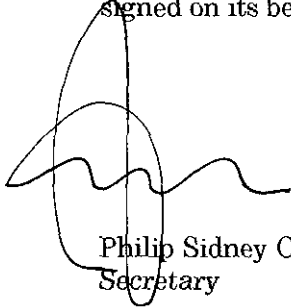
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The Statement of Director's responsibilities was approved by the Board on 1 June 2005 and signed on its behalf by:



Philip Sidney Cullum
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COULSON JOINERY LIMITED

We have audited the financial statements of Coulson Joinery Limited for the year ended 31 December 2004 which are set out on pages 7 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements in it.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004, and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Michael Lewis Audit Limited
Chartered Accountant and Registered Auditor

Cambridge
1 June 2005

COULSON JOINERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover from continuing operations	2	927,169	1,062,030
Change in stocks of finished goods and work in progress		<u>(12,191)</u>	<u>54,914</u>
Total work done		914,978	1,116,944
Raw materials and consumables		(296,909)	(523,566)
Other external charges		(45,834)	(19,763)
Staff costs	3	(424,498)	(409,391)
Depreciation		(8,182)	(7,821)
Other operating charges		<u>(174,398)</u>	<u>(153,914)</u>
(Loss)/profit on ordinary activities before taxation	4	(34,843)	2,489
Tax on (loss)/profit on ordinary activities	5	<u>115</u>	<u>-</u>
(Loss)/profit on ordinary activities after taxation		(34,728)	2,489
Dividends	6	<u>-</u>	<u>(2,000)</u>
Retained (loss)/profit for the year	13	<u>(34,728)</u>	<u>489</u>

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

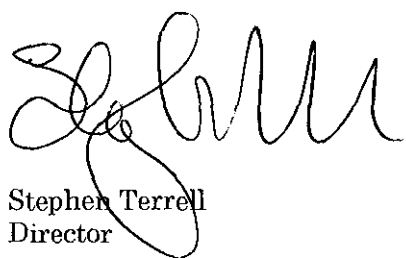
COULSON JOINERY LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
Tangible fixed assets	7	<u>46,363</u>	<u>44,311</u>
Current assets			
Stocks	8	111,355	111,102
Debtors	9	<u>60,183</u>	<u>-</u>
		171,538	111,102
Creditors: amounts falling due within one year	10	<u>(187,014)</u>	<u>(89,798)</u>
Net current assets		<u>(15,476)</u>	<u>21,304</u>
Total assets less current liabilities		30,887	65,615
Provision for liabilities and charges	11	<u>(5,000)</u>	<u>(5,000)</u>
Net assets		<u>25,887</u>	<u>60,615</u>
Capital and reserves			
Called up share capital	12	5	5
Profit and loss account	13	<u>25,882</u>	<u>60,610</u>
Shareholders' funds	14	<u>25,887</u>	<u>60,615</u>

Advantage has been taken, in the preparation of these financial statements, of special exemptions applicable to small Companies conferred by Part 1 of Schedule 8 of the Companies Act 1985. The Directors are of the opinion that the Company is entitled to those exemptions as it is a small Company as defined in Section 247 Companies Act 1985.

The financial statements were approved by the Directors on 1 June 2005 and signed on its behalf by:



Stephen Terrell
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied to third parties, other than on certain long term contracts where the estimated sales value of the work performed in the year is included.

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used are:

Plant and machinery	15% on reducing balance
Fixtures, fittings and equipment	15% on reducing balance
Computer systems	20% on cost

Leased assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Stocks

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost is determined on a first in first out basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Long term contracts - profit recognition

Long term contracts are those extending in excess of 12 months and any of a shorter duration which are material to the activity of the period.

Attributable profit is recognised once the outcome of a long term contract can be assessed with reasonable certainty. Attributable profit is recognised on the cost percentage completion method. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

Pensions

The company operates a money purchase scheme. The assets of the scheme are invested and managed independently of the finances of the company. Pension contributions paid are charged in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made for the full potential liability.

2. SEGMENTAL ANALYSIS

In the opinion of the directors the company operates a single class of business to a single geographic area.

Turnover includes £359,156 (2003: £268,449) derived from group undertakings.

COULSON JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. STAFF COSTS

Staff costs, including directors are:

	2004	2003
	£	£
Wages and salaries	383,284	366,101
Social security costs	35,279	37,142
Other pension costs	<u>5,935</u>	<u>6,148</u>
	<u>424,498</u>	<u>409,391</u>

4. OPERATING PROFIT

Operating profit for the year is arrived at after charging:

	2004	2003
	£	£
Depreciation of tangible fixed assets	8,182	7,821
Auditors remuneration	918	951
Operating lease rentals on land and buildings paid to ultimate holding company	54,007	52,433
Management charge from ultimate holding company	<u>46,025</u>	<u>25,212</u>

Retirement benefits are accruing to one director under a money purchase pension scheme.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Total current UK corporation tax on profits of the year at 0%	(115)	-
Deferred taxation, origination and reversal of timing differences	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(115)</u>	<u>-</u>

Factors affecting tax charge for the year

	2004	2003
	£	£
(Loss)/profit on ordinary activities for the year	(34,843)	2,489
(Loss)/profit on ordinary activities for the year multiplied by small profits rate of corporation tax in the UK of 30%	(10,500)	-
Timing differences	(400)	-
Overprovision in previous years	(115)	-
Group relief surrendered	<u>10,900</u>	<u>-</u>
Current tax charge for the year	<u>(115)</u>	<u>-</u>

COULSON JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. DIVIDENDS

	2004 £	2003 £
Proposed ordinary dividend of £Nil per share (2003: £400)	<u>-</u>	<u>2,000</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 January 2004	163,550
Additions	<u>10,234</u>
At 31 December 2004	<u>173,784</u>
Depreciation	
At 1 January 2004	119,239
Charged in the year	<u>8,182</u>
At 31 December 2004	<u>127,421</u>
Net book value	
At 31 December 2004	<u>46,363</u>
At 31 December 2003	<u>44,311</u>

8. STOCKS

Stocks includes long term contract balances as follows:

	2004 £	2003 £
Net cost less foreseeable losses	176,114	191,699
Payments on account	<u>(97,166)</u>	<u>(115,948)</u>
	<u>78,948</u>	<u>75,751</u>

9. DEBTORS

	2004 £	2003 £
Amounts recoverable on contracts	<u>60,183</u>	<u>-</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amount owed to Group undertaking	164,669	74,075
Corporation tax	-	115
Payments on account	20,323	7,778
Accruals and deferred income	2,022	5,830
Proposed dividend	<u>-</u>	<u>2,000</u>
	<u>187,014</u>	<u>89,798</u>

COULSON JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. DEFERRED TAXATION

	2004 £	2003 £
At 1 January 2004	5,000	5,000
Charged in the year	-	-
At 31 December 2004	<u>5,000</u>	<u>5,000</u>

Deferred taxation comprises accelerated capital allowances and is the full potential liability

12. SHARE CAPITAL

	2004 £	2003 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
5 ordinary shares of £1 each	<u>5</u>	<u>5</u>

13. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
At 1 January 2004	60,610	60,121
Transfer from profit and loss account of the year	<u>(34,728)</u>	<u>489</u>
At 31 December 2004	<u>25,882</u>	<u>60,610</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
(Loss)/profit for the financial year	(34,728)	2,489
Dividends	-	<u>(2,000)</u>
Net addition to shareholders' funds	(34,728)	489
Opening shareholders' funds	<u>60,615</u>	<u>60,126</u>
Closing shareholders' funds	<u>25,887</u>	<u>60,615</u>

15. CONTINGENT LIABILITIES

The company has given a fixed and floating charge over all assets to secure bank facilities provided to other group undertakings as follows:

	2004 £	2003 £
Guarantee of ultimate holding company bank borrowings	-	128,252
Performance bonds	<u>412,524</u>	<u>340,377</u>
	<u>412,524</u>	<u>468,629</u>

16. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Coulson Group Limited, a company registered in England and Wales.