

Registered Copy.

Company number 889669

**COULSON JOINERY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**



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# COULSON JOINERY LIMITED

## COMPANY INFORMATION

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### Directors

C W James  
P R James  
S Terrell  
J E Reynolds

### 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

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

**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, C W 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	
	2002	2001
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**

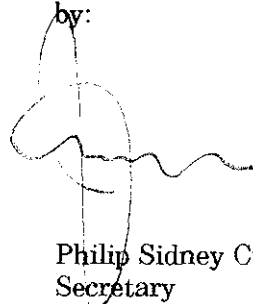
The previous auditor, Michael Lewis, resigned after the year end because he had incorporated his audit practise, having confirmed there were no circumstances connected with his resignation which he considered should be brought to the attention of the members or creditors of the company. The directors appointed Michael Lewis Audit Limited to fill the casual vacancy arising.

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 3 June 2003 and signed on its behalf by:



Philip Sidney Cullum  
Secretary

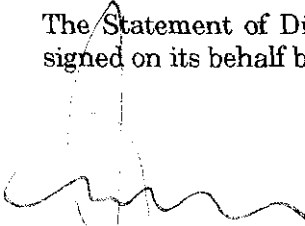
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 3 June 2003 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 2002 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 2002, 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  
3 June 2003

# COULSON JOINERY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
<b>Turnover from continuing operations</b>	1	918,709	910,198
Change in stocks of finished goods and work in progress		<u>(8,134)</u>	<u>(27,947)</u>
<b>Total work done</b>		910,575	882,251
Raw materials and consumables		(302,995)	(265,347)
Other external charges		(7,488)	(91,281)
Staff costs	3	(392,276)	(343,282)
Depreciation		(7,907)	(8,356)
Other operating charges		<u>(159,385)</u>	<u>(152,834)</u>
<b>Operating profit before interest</b>	4	40,524	21,151
Bank interest receivable		<u>2</u>	<u>2</u>
<b>Profit on ordinary activities before taxation</b>		40,526	21,153
Tax on profit on ordinary activities	5	<u>(7,500)</u>	<u>(4,500)</u>
<b>Profit on ordinary activities after taxation</b>		33,026	16,653
Dividends	6	<u>(30,000)</u>	<u>(16,000)</u>
<b>Retained profit for the year</b>	13	<u><u>3,026</u></u>	<u><u>653</u></u>

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

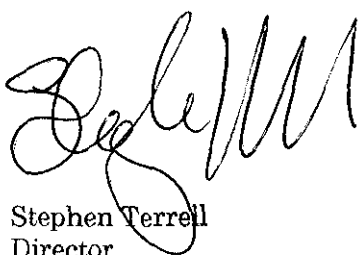
# COULSON JOINERY LIMITED

## BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
<b>Tangible fixed assets</b>	7	<u>44,807</u>	<u>47,601</u>
<b>Current assets</b>			
Stocks	8	84,828	76,576
Debtors	9	<u>39,729</u>	<u>10,532</u>
		124,557	87,108
<b>Creditors: amounts falling due within one year</b>	10	<u>(104,238)</u>	<u>(72,109)</u>
Net current assets		<u>20,319</u>	<u>14,999</u>
<b>Total assets less current liabilities</b>		65,126	62,600
Provision for liabilities and charges	11	<u>(5,000)</u>	<u>(5,500)</u>
<b>Net assets</b>		<u>60,126</u>	<u>57,100</u>
<b>Capital and reserves</b>			
Called up share capital	12	5	5
Profit and loss account	13	<u>60,121</u>	<u>57,095</u>
Shareholders' funds	14	<u>60,126</u>	<u>57,100</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 3 June 2003 and signed on its behalf by:



Stephen Terrell  
Director



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

**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 £299,453 (2001: £274,033) derived from group undertakings.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**3. STAFF COSTS**

Staff costs, including directors are:

	2002 £	2001 £
Wages and salaries	349,465	305,388
Social security costs	30,416	25,977
Other pension costs	<u>12,395</u>	<u>11,916</u>
	<u>392,276</u>	<u>343,281</u>

**4. OPERATING PROFIT**

Operating profit for the year is arrived at after charging:

	2002 £	2001 £
Depreciation of tangible fixed assets	7,907	8,356
Directors remuneration	19,577	28,558
Directors pensions contributions	6,633	8,000
Auditors remuneration	1,068	1,068
Operating lease rentals on land and buildings paid to ultimate holding company	49,140	46,800
Management charge from ultimate holding company	<u>36,796</u>	<u>36,807</u>

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

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2002 £	2001 £
Total current UK corporation tax on profits of the year at 20%/19% (2001: 20%)	8,000	4,500
Deferred taxation, origination and reversal of timing differences	<u>(500)</u>	<u>-</u>
<b>Tax on profit on ordinary activities</b>	<u>7,500</u>	<u>4,500</u>

**Factors affecting tax charge for the year**

	2002 £	2001 £
Profit on ordinary activities for the year	<u>40,526</u>	<u>21,153</u>
Profit on ordinary activities for the year multiplied by small profits rate of corporation tax in the UK of 19% (2001: 20%)	8,000	4,500
Effect of capital allowances in excess of depreciation	<u>(500)</u>	<u>-</u>
<b>Current tax charge for the year</b>	<u>7,500</u>	<u>4,500</u>

# COULSON JOINERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. DIVIDENDS

	2002 £	2001 £
Proposed ordinary dividend of £6,000 per share (2001: £3,200)	<u>30,000</u>	<u>16,000</u>

### 7. TANGIBLE FIXED ASSETS

	Plant and machinery £
<b>Cost</b>	
At 1 January 2002	151,111
Additions	<u>5,113</u>
At 31 December 2002	<u>156,224</u>
<b>Depreciation</b>	
At 1 January 2002	103,510
Charged in the year	<u>7,907</u>
At 31 December 2002	<u>111,417</u>
<b>Net book value</b>	
At 31 December 2002	<u>44,807</u>
At 31 December 2001	<u>47,601</u>

### 8. STOCKS

Stocks includes long term contract balances as follows:

	2002 £	2001 £
Net cost less foreseeable losses	195,558	413,529
Payments on account	<u>(136,797)</u>	<u>(367,269)</u>
	<u>58,761</u>	<u>46,260</u>

### 9. DEBTORS

	2002 £	2001 £
Amounts recoverable on contracts	4,885	5,126
Amounts owed by Group undertaking	<u>34,844</u>	<u>5,406</u>
	<u>39,729</u>	<u>10,532</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Corporation tax	8,047	4,398
Payments on account	61,477	40,842
Accruals and deferred income	4,714	10,869
Proposed dividend	<u>30,000</u>	<u>16,000</u>
	<u>104,238</u>	<u>72,109</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**11. DEFERRED TAXATION**

	2002	2001
	£	£
At 1 January 2002	5,500	5,500
Charged in the year	<u>(500)</u>	<u>-</u>
At 31 December 2002	<u>5,000</u>	<u>5,500</u>

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

**12. SHARE CAPITAL**

	2002	2001
	£	£
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
5 ordinary shares of £1 each	<u>5</u>	<u>5</u>

**13. PROFIT AND LOSS ACCOUNT**

	2002	2001
	£	£
At 1 January 2002	57,095	56,442
Transfer from profit and loss account of the year	<u>3,026</u>	<u>653</u>
At 31 December 2002	<u>60,121</u>	<u>57,095</u>

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2002	2001
	£	£
Profit for the financial year	33,026	16,653
Dividends	<u>(30,000)</u>	<u>(16,000)</u>
Net addition to shareholders' funds	3,026	653
Opening shareholders' funds	<u>57,100</u>	<u>56,447</u>
Closing shareholders' funds	<u>60,126</u>	<u>57,100</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:

	2002	2001
	£	£
Guarantee of ultimate holding company bank borrowings	100,000	200,000
Performance bonds	<u>340,377</u>	<u>507,872</u>
	<u>440,377</u>	<u>707,872</u>

**16. ULTIMATE HOLDING COMPANY**

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