

Registration copy

Company number 889669

COULSON JOINERY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998



COULSON JOINERY LIMITED

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COULSON JOINERY LIMITED

COMPANY INFORMATION

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
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 1998.

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	
	1998	1997
C W James	2,609	2,609
P R James	2,263	2,263
S Terrell	<u>1,181</u>	<u>1,181</u>

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

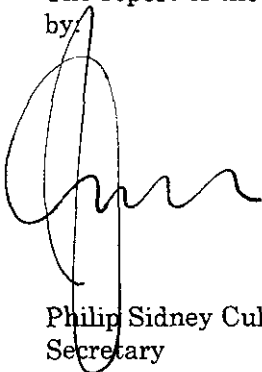
Auditor

The auditor, Michael Lewis 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 11 May 1999 and signed on its behalf by:



Philip Sidney Cullum
Secretary

COULSON JOINERY LIMITED

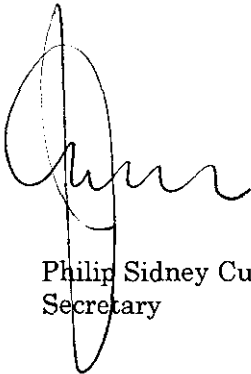
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 11 May 1999 and signed on its behalf by:



Philip Sidney Cullum
Secretary

COULSON JOINERY LIMITED

REPORT OF THE AUDITOR TO THE SHAREHOLDERS

I have audited the financial statements on pages 7 to 12 which have been prepared under the historical cost convention and the accounting policies on page 9.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998, 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
Chartered Accountant and Registered Auditor

Cambridge
11 May 1999

COULSON JOINERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Turnover from continuing operations	2	780,436	817,992
Change in stocks of finished goods and work in progress		<u>54,316</u>	<u>(15,334)</u>
Total work done		834,752	802,658
Raw materials and consumables		(306,162)	(359,265)
Other external charges		(19,470)	(55,612)
Staff costs	3	(290,680)	(236,800)
Depreciation		(6,546)	(3,997)
Other operating charges		<u>(137,981)</u>	<u>(145,262)</u>
Operating profit before taxation	4	73,913	1,722
Tax on profit on ordinary activities	5	<u>(15,500)</u>	<u>(347)</u>
Profit on ordinary activities after taxation		58,413	1,375
Dividends	6	<u>(58,000)</u>	<u>-</u>
Retained profit for the year	13	<u><u>413</u></u>	<u><u>1,375</u></u>

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

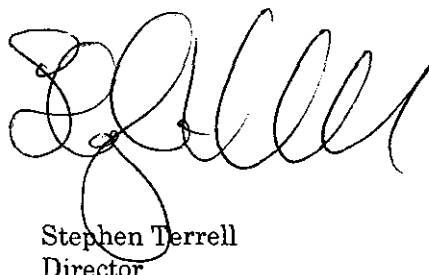
COULSON JOINERY LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

	Notes	1998 £	1997 £
Tangible fixed assets	7	<u>48,965</u>	<u>22,653</u>
Current assets			
Stocks	8	104,854	62,269
Debtors	9	<u>25,995</u>	<u>55,346</u>
		130,849	117,615
Creditors: amounts falling due within one year	10	<u>(124,542)</u>	<u>(86,909)</u>
Net current assets		<u>6,307</u>	<u>30,706</u>
Total assets less current liabilities		55,272	53,359
Provision for liabilities and charges	11	<u>(4,000)</u>	<u>(2,500)</u>
Net assets		<u>51,272</u>	<u>50,859</u>
Capital and reserves			
Called up share capital	12	5	5
Profit and loss account	13	<u>51,267</u>	<u>50,854</u>
Shareholders' funds	14	<u>51,272</u>	<u>50,859</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 11 May 1999 and signed on its behalf by:



Stephen Terrell
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

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 under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

2. SEGMENTAL ANALYSIS

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

Turnover includes £350,219 (1997: £207,575) derived from group undertakings.

COULSON JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. STAFF COSTS

Staff costs, including directors are:

	1998 £	1997 £
Wages and salaries	254,194	208,840
Social security costs	23,726	21,007
Other pension costs	<u>12,760</u>	<u>6,953</u>
	<u>290,680</u>	<u>236,800</u>

4. OPERATING PROFIT

Operating profit for the year is arrived at after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets	6,546	3,997
Directors remuneration	26,926	24,684
Company pension contributions to directors money purchase schemes	8,616	5,064
Auditors remuneration	1,068	1,068
Management charge from ultimate holding company	<u>72,068</u>	<u>80,468</u>

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

5. TAXATION

	1998 £	1997 £
Corporation tax at 21%	14,000	347
Deferred taxation	<u>1,500</u>	<u>-</u>
	<u>15,500</u>	<u>347</u>

6. DIVIDENDS

	1998 £	1997 £
Proposed ordinary dividend of £11,600 per share (1997: £ Nil)	<u>58,000</u>	<u>-</u>

COULSON JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 January 1998	97,887
Additions	35,208
Disposals	<u>(7,730)</u>
At 31 December 1998	<u>125,365</u>
Depreciation	
At 1 January 1998	75,234
Charged in the year	6,546
Released on disposals	<u>(5,380)</u>
At 31 December 1998	<u>76,400</u>
Net book value	
At 31 December 1998	<u>48,965</u>
At 31 December 1997	<u>22,653</u>

8. STOCKS

Stocks includes long term contract balances as follows:

	1998 £	1997 £
Net cost less foreseeable losses	91,700	87,898
Payments on account	<u>(18,781)</u>	<u>(59,446)</u>
	<u>72,919</u>	<u>28,452</u>

9. DEBTORS

	1998 £	1997 £
Amounts recoverable on contracts	<u>25,995</u>	<u>55,346</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Amount owed to group undertaking	40,371	65,982
Payments on account	-	9,854
Corporation tax	14,005	347
Accruals and deferred income	12,166	10,726
Proposed dividend	<u>58,000</u>	<u>-</u>
	<u>124,542</u>	<u>86,909</u>

COULSON JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. DEFERRED TAXATION

	1998	1997
	£	£
At 1 January 1998	2,500	2,500
Charged in year	<u>1,500</u>	<u>-</u>
At 31 December 1998	<u>4,000</u>	<u>2,500</u>

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

12. SHARE CAPITAL

	1998	1997
	£	£
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

	1998	1997
	£	£
At 1 January 1998	50,854	49,479
Transfer from profit and loss account of the year	<u>413</u>	<u>1,375</u>
At 31 December 1998	<u>51,267</u>	<u>50,854</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Profit for the financial year	58,413	1,375
Dividends	<u>(58,000)</u>	<u>-</u>
Net addition to shareholders' funds	413	1,375
Opening shareholders' funds	<u>50,859</u>	<u>49,484</u>
Closing shareholders' funds	<u>51,272</u>	<u>50,859</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:

	1998	1997
	£	£
Guarantee of ultimate holding company bank borrowings	463,821	413,560
Performance bonds	<u>152,127</u>	<u>412,136</u>
	<u>615,948</u>	<u>825,696</u>

16. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Coulson Group Limited, a company incorporated in Great Britain.