

**B & D Clays & Chemicals Limited**  
**Registered Number: 1181514**  
**England and Wales**  
**Annual Report and Accounts**  
**30 June 1998**



DAVIS, BURTON, WILLIAMS & CO  
Chartered Certified Accountants and Registered Auditors  
11 Beeches Avenue  
Carshalton  
Surrey SM5 3LB

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**B & D Clays & Chemicals Limited**  
**Directors and Officers**

**DIRECTORS**

J J M Trotter  
J M Walker

**SECRETARY**

P M Harrison

**REGISTERED OFFICE**

10 Wandle Way  
Willow Lane Trading Estate  
Mitcham  
Surrey CR4 4NB

**REGISTERED NUMBER**

1181514

**AUDITORS**

Davis, Burton, Williams & Co.  
Chartered Certified Accountants and Registered Auditors  
11 Beeches Avenue  
Carshalton  
Surrey SM5 3LB

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**ANNUAL REPORT AND ACCOUNTS**

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The following do not form part of the statutory accounts:  
Detailed profit and loss account.

## **B & D Clays & Chemicals Limited**

### **Directors' Report**

The directors present their report and accounts for the year ended 30 June 1998.

#### **Statement of Directors' Responsibilities**

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 and detection of fraud and other irregularities.

#### **Principal activities**

The company's principal activities during the year continued to be importing, supplying and dealing in clays and chemicals.

#### **Directors and directors' interests**

The directors at the balance sheet date and their interests in the share capital of the company were as follows:

	<u>B &amp; D Clays &amp; Chemicals Ltd</u>		<u>Paragon Transport Ltd</u>	
	<u>£1 Ordinary shares</u>		<u>£1 Ordinary shares</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
J J M Trotter	15000	15000	25	25
J M Walker	-	-	-	-

#### **Political and charitable donations**

During the year, the company made no political contributions or charitable contributions.

#### **Year 2000**

For some time the directors have been mindful of the ramifications of year 2000 compliance issues. They have, therefore, been replacing assets where required with those that are year 2000 compliant. These changes have been as a natural consequence of the policies of the company and therefore no further specific actions are required to ensure year 2000 compliance.

The company is continuing its rolling review of the compliance but do not foresee any further matters to give them concern.


#### **Auditors**

A resolution to reappoint Davis, Burton, Williams & Co. as auditors will be put to the members at the Annual General Meeting.

#### **Small company special provisions**

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 3.3.99

  
P M Harrison - Secretary

**B & D Clays & Chemicals Limited**  
**Auditors' Report**

**Report of the auditors**  
**to the shareholders of B & D Clays & Chemicals Limited**

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

In our opinion the company is entitled for the year ended 30 June 1998 to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

*Davis Burton Williams & Co*  
Davis, Burton, Williams & Co.  
Chartered Certified Accountants  
and Registered Auditors

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11 Beeches Avenue  
Carshalton  
Surrey SM5 3LB

**B & D Clays & Chemicals Limited**  
**Profit and Loss Account**  
**for the year ended 30 June 1998**

	Notes	1998 £	1997 £
<b>Turnover</b>	2	2,402,779	2,306,935
Cost of sales		(2,014,824)	(1,921,227)
<b>Gross profit</b>		<u>387,955</u>	<u>385,708</u>
Distribution costs		(15,454)	(7,859)
Administrative expenses		(349,082)	(394,607)
Other operating income		115,810	100,159
<b>Operating profit</b>	3	<u>139,229</u>	<u>83,401</u>
Reserve against Investments	7	<u>-</u>	<u>23,115</u>
		<u>-</u>	<u>23,115</u>
		<u>139,229</u>	<u>106,516</u>
Interest receivable		1,101	455
Interest payable	4	(17,783)	(17,575)
<b>Profit on ordinary activities before taxation</b>		<u>122,547</u>	<u>89,396</u>
Taxation on profit on ordinary activities	5	(23,704)	(15,547)
<b>Profit on ordinary activities after taxation</b>		<u>98,843</u>	<u>73,849</u>
Dividends:			
ordinary dividend on equity shares	6	(64,000)	(48,000)
<b>Retained profit for the year</b>	16	<u>34,843</u>	<u>25,849</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**Statement of total recognised gains and losses**

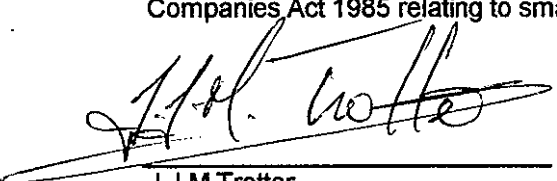
The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 6 - 11 are an integral part of these accounts.

**B & D Clays & Chemicals Limited**  
**Balance Sheet**  
**as at 30 June 1998**

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	8	1,222,581	1,288,710
Investments	9	75	75
		<u>1,222,656</u>	<u>1,288,785</u>
<b>Current assets</b>			
Stocks		179,076	201,977
Debtors	10	467,154	433,694
Cash at bank and in hand		22,592	8,466
		<u>668,822</u>	<u>644,137</u>
<b>Creditors: amounts falling due within one year</b>	11	(1,108,692)	(1,136,115)
<b>Net current liabilities</b>		<u>(439,870)</u>	<u>(491,978)</u>
<b>Total assets less current liabilities</b>		<u>782,786</u>	<u>796,807</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(4,728)	(53,592)
		<u>778,058</u>	<u>743,215</u>
<b>Capital and reserves</b>			
Called up share capital	14	15,000	15,000
Revaluation reserve	15	298,769	298,769
Profit and loss account	16	464,289	429,446
<b>Shareholders' funds:</b>			
Equity		<u>778,058</u>	<u>743,215</u>
	17	<u>778,058</u>	<u>743,215</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

  
J J M Trotter  
Director

Approved by the board on 3. 3. 99.

The notes on pages 6 - 11 are an integral part of these accounts.

**B & D Clays & Chemicals Limited**  
**Notes to the Accounts**  
**at 30 June 1998**

**1 Accounting policies**

**Accounting convention**

The accounts have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**Consolidation**

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

**Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	No depreciation provided
Motor Vehicles	25% Straight Line
Computer Equipment	33 1/3% Straight Line
Office Fixtures and Fittings	15% and 50% Straight Line
Plant and machinery	15% Straight Line

No charge to depreciation has been made in respect of freehold land and buildings as the directors are of the opinion that:-

- (a) The site is of a value at least equal to that stated in the accounts
- (b) The land is the main value in the site. Therefore any depreciation charge in respect of building work would be immaterial.

**Stocks**

Stock is valued at the lower of cost and net realisable value.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

**B & D Clays & Chemicals Limited**  
**Notes to the Accounts**  
**at 30 June 1998**

**Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**2 Turnover and Segment Information**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. The directors consider that the company's activities constitute a single class of activity. In the opinion of the directors disclosure of geographical markets would be seriously prejudicial to the interests of the company.

<b>3 Operating profit</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	9,153	7,134
Depreciation of assets held under finance leases and hire purchase contracts	8,781	30,518
Directors' remuneration (including Pensions and Benefits in Kind)	43,425	57,920
Auditors' remuneration	<u>3,300</u>	<u>3,300</u>

**4 Interest Payable**

Included in interest payable is interest on finance leases and hire purchase contracts of £4,735 (1997 - £2,715).

<b>5 Taxation</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
UK current year taxation		
UK Corporation tax at 21% (1997 - 21%)	23,704	15,492
Prior Year adjustment	-	55
	<u>23,704</u>	<u>15,547</u>

<b>6 Dividends</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Final dividend of £4.26 (1997 - £3.20) per ordinary share	64,000	48,000
	<u>64,000</u>	<u>48,000</u>

<b>7 Subsidiaries and Investments</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Paragon Transport Ltd - reserve against loan account	-	23,115
	<u>-</u>	<u>23,115</u>



**B & D Clays & Chemicals Limited**  
**Notes to the Accounts**  
**at 30 June 1998**

**8 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 1997	1,200,000	137,201	143,020	1,480,221
Additions	-	1,714	-	1,714
Disposals	-	-	(69,820)	(69,820)
At 30 June 1998	<u>1,200,000</u>	<u>138,915</u>	<u>73,200</u>	<u>1,412,115</u>
<b>Depreciation</b>				
At 1 July 1997	-	107,134	84,377	191,511
Charge for the year	-	10,447	7,487	17,934
On disposals	-	-	(19,911)	(19,911)
At 30 June 1998	<u>-</u>	<u>117,581</u>	<u>71,953</u>	<u>189,534</u>
<b>Net book value</b>				
At 30 June 1998	<u>1,200,000</u>	<u>21,334</u>	<u>1,247</u>	<u>1,222,581</u>
At 30 June 1997	<u>1,200,000</u>	<u>30,067</u>	<u>58,643</u>	<u>1,288,710</u>

Freehold land at valuation included above not depreciated 1,200,000

<b>Freehold land and buildings:</b>	<b>1998 £</b>	<b>1997 £</b>
Historical cost	<u>901,231</u>	<u>901,231</u>

The freehold property was valued by J J M Trotter on the basis of open market value at 30.06.95.  
following consultation with a professional valuer.

	<b>1998 £</b>	<b>1997 £</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>18,148</u>	<u>79,663</u>

**B & D Clays & Chemicals Limited**  
**Notes to the Accounts**  
**at 30 June 1998**

**9 Investments**

	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 July 1997	75
At 30 June 1998	<u>75</u>

The subsidiary company is:-

Company	Country of registration or incorporation	Shares held Class	%
Paragon Transport Limited Registration Number: 2837931	England and Wales	Ordinary	75

The aggregate amounts of the subsidiary companies' capital and reserves were as follows:-

	1998	1997
Share capital	100	100
Profit and Loss account	(51,628)	(45,064)
Retained (loss)/profit for the year	(6,564)	(5,985)

**10 Debtors**

	1998 £	1997 £
Trade debtors	344,408	326,355
Amounts owed by group undertakings and undertakings in which the company has a participating interest	82,189	59,139
Other debtors	40,557	48,200
	<u>467,154</u>	<u>433,694</u>

**11 Creditors: amounts falling due within one year**

	1998 £	1997 £
Bank loans and overdrafts	153,997	222,367
Obligations under finance lease and hire purchase contracts	9,411	27,355
Taxation and Social Security	19,188	16,053
Trade creditors	527,308	437,674
Loan - Merchant Investors Assurance Co Ltd	95,000	130,000
Other creditors	303,788	302,666
	<u>1,108,692</u>	<u>1,136,115</u>

Bank loans and overdrafts are secured by way of floating charge. The loan from Merchant Investors Assurance Company Limited is secured by a first mortgage on the freehold property.

**B & D Clays & Chemicals Limited**  
**Notes to the Accounts**  
**at 30 June 1998**

<b>12 Creditors: amounts falling due after one year</b>			<b>1998</b>	<b>1997</b>
			£	£
Obligations under finance lease and hire purchase contracts			<u>4,728</u>	<u>53,592</u>
<b>13 Obligations under finance leases and hire purchase contracts</b>			<b>1998</b>	<b>1997</b>
			£	£
<u>Gross Obligations</u>				
Less than One year			10,896	32,050
One to Two years			<u>5,581</u>	<u>63,368</u>
			16,477	95,418
Less Finance charges allocated to future periods			<u>(2,338)</u>	<u>(14,471)</u>
			<u>14,139</u>	<u>80,947</u>
Amounts payable:				
Within one year			9,411	27,355
Within two to five years			<u>4,728</u>	<u>53,592</u>
			<u>14,139</u>	<u>80,947</u>
<b>14 Share capital</b>			<b>1998</b>	<b>1997</b>
			£	£
Authorised:				
Ordinary shares of £1 each			<u>15,000</u>	<u>15,000</u>
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
<b>15 Revaluation reserve</b>			<b>1998</b>	<b>1997</b>
			£	£
At 1 July			298,769	298,769
At 30 June			<u>298,769</u>	<u>298,769</u>
<b>16 Profit and loss account</b>			<b>1998</b>	<b>1997</b>
			£	£
At 1 July			429,446	403,597
Retained profit			<u>34,843</u>	<u>25,849</u>
At 30 June			<u>464,289</u>	<u>429,446</u>

**B & D Clays & Chemicals Limited**  
**Notes to the Accounts**  
**at 30 June 1998**

<b>17 Reconciliation of movements in shareholders' funds</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
At 1 July	743,215	717,366
Profit for the financial year	98,843	73,849
Dividends	(64,000)	(48,000)
	<hr/>	<hr/>
At 30 June	778,058	743,215

**18 Contingent liabilities**

Lloyds Bank PLC holds an unlimited debenture dated 26.08.87.

Merchant Investors Assurance Company Limited holds a first charge over the company's feehold property.

**19 Post balance sheet events**

The directors were not aware of any post Balance Sheet events which would materially affect the financial statements at the year end.

**20 Related parties**

For the whole of the year the company was under the control of J J M Trotter who is the managing director and 100% shareholder of the company. At the balance sheet date included in other creditors is an amount owed to J J M Trotter of £191,918 (1997 - £143,965)

Included in cost of sales are purchases in the year from Paragon Transport Limited amounting to £119,034 (1997 - £101,373). At the balance sheet date included in trade creditors are amounts due to Paragon Ltd of £14,182 (1997 - Nil)

At the balance sheet date included in debtors are amounts due from Paragon Ltd totalling £82,189 (1997 - £59,139).