

1664129

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000  
FOR  
LAZORON PLC**



**LAZORON PLC**

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FOR THE YEAR ENDED 31 DECEMBER 2000**

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**LAZORON PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**DIRECTORS:**

J A Clarke  
D J Bass  
Mrs C L Clarke  
G N Wheller

**SECRETARY:**

Mrs C L Clarke

**REGISTERED OFFICE:**

Devon Business Park  
Saunders Way  
CULLOMPTON  
Devon  
EX15 1BS

**REGISTERED NUMBER:**

1664129 (England and Wales)

**AUDITORS:**

Bush & Company  
Registered Auditor &  
Chartered Accountants  
2 Barnfield Crescent  
Exeter  
Devon  
EX1 1QT

**BANKERS:**

HSBC PLC.  
38 High Street  
Exeter  
Devon  
EX4 3LP

## **LAZORON PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of distributor of batteries and camera film through a franchise network.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are pleased with the results, which have shown good growth in turnover and net profit and a return to a net asset position following the problems of 1997. The directors expect the recovery to continue in 2001 and that reserves will be positive before the end of the year.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2000.

#### **DIRECTORS**

The directors during the year under review were:

J A Clarke  
D J Bass  
Mrs C L Clarke  
G N Wheller

The beneficial interests of the directors holding office on 31 December 2000 in the issued share capital of the company were as follows:

	<b>31.12.00</b>	<b>1.1.00</b>
<b>Ordinary shares £1 shares</b>		
J A Clarke	65,267	28,616
D J Bass	26,830	26,830
Mrs C L Clarke	-	-
G N Wheller	13,415	-

#### **COMPANY'S POLICY ON PAYMENT OF CREDITORS**

It is company policy to settle all debts with its creditors on a timely basis, taking account of the credit period given by each supplier. Creditor days 2000: 96 (1999: 101)

#### **DONATIONS**

During the year the company made donations amounting to £55.

**LAZORON PLC**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**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 and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Bush & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

C. L. Clarke

on behalf of the board:

Mrs C L Clarke - SECRETARY

Dated: 23/3/01

**LAZORON PLC**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
LAZORON PLC**

We have audited the financial statements on pages five to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

**Respective responsibilities of directors and auditors**

As described on page three the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bush & Company  
Registered Auditor &  
Chartered Accountants  
2 Barnfield Crescent  
Exeter  
Devon  
EX1 1QT

Dated:

26 March 2001

**LAZORON PLC**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

		2000	1999
	Notes	£	£
<b>TURNOVER</b>		4,546,150	3,722,957
Cost of sales		3,915,860	3,161,562
<b>GROSS PROFIT</b>		630,290	561,395
Administrative expenses		500,853	472,449
<b>OPERATING PROFIT</b>	3	129,437	88,946
Interest receivable and similar income		17,536	13,436
		146,973	102,382
Interest payable and similar charges	4	43,910	45,278
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		103,063	57,104
Tax on profit on ordinary activities	5	8,375	76
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		94,688	57,028
Deficit brought forward		(158,547)	(215,575)
<b>DEFICIT CARRIED FORWARD</b>		£(63,859)	£(158,547)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

**LAZORON PLC**  
**BALANCE SHEET**  
**31 DECEMBER 2000**

		2000		1999	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		52,243		58,291
<b>CURRENT ASSETS:</b>					
Stocks	7	444,287		600,545	
Debtors	8	1,353,337		1,305,879	
Cash at bank and in hand		48,082		76,200	
		1,845,706		1,982,624	
<b>CREDITORS:</b> Amounts falling due within one year	9	1,821,120		2,056,082	
<b>NET CURRENT ASSETS/(LIABILITIES):</b>			24,586		(73,458)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			76,829		(15,167)
<b>CREDITORS:</b> Amounts falling due after more than one year	10		6,538		9,230
			£70,291		£(24,397)
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	14		134,150		134,150
Profit and loss account			(63,859)		(158,547)
<b>SHAREHOLDERS' FUNDS:</b>	16		£70,291		£(24,397)

**ON BEHALF OF THE BOARD:**

  
 J.A. Clarke - DIRECTOR

Approved by the Board on 23/3/01



**LAZORON PLC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

		2000		1999	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	1		280,504		120,825
<b>Returns on investments and servicing of finance</b>	2		(26,374)		(31,842)
<b>Taxation</b>			(76)		(181)
<b>Capital expenditure</b>	2		(20,518)		(17,869)
			<u>233,536</u>		<u>70,933</u>
<b>Financing</b>	2		(11,842)		33,164
<b>Increase in cash in the period</b>			<u><u>£221,694</u></u>		<u><u>£104,097</u></u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
<b>Increase in cash in the period</b>			<b>221,694</b>		<b>104,097</b>
Cash outflow from decrease in debt and lease financing			<u>2,692</u>		<u>2,692</u>
Change in net debt resulting from cash flows			<u>224,386</u>		<u>106,789</u>
<b>Movement in net debt in the period</b>			<u><b>224,386</b></u>		<u><b>106,789</b></u>
<b>Net debt at 1 January</b>			<u><b>(671,387)</b></u>		<u><b>(778,176)</b></u>
<b>Net debt at 31 December</b>			<u><u><b>£(447,001)</b></u></u>		<u><u><b>£(671,387)</b></u></u>

The notes form part of these financial statements

**LAZORON PLC**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2000 £	1999 £
Operating profit	129,437	88,946
Depreciation charges	26,509	22,243
Loss on sale of fixed assets	57	-
Decrease/(Increase) in stocks	156,258	(278,067)
Increase in debtors	(47,458)	(188,941)
Increase in creditors	15,701	476,644
<b>Net cash inflow from operating activities</b>	<u>280,504</u>	<u>120,825</u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2000 £	1999 £
<b>Returns on investments and servicing of finance</b>		
Interest received	17,536	13,436
Interest paid	(40,703)	(42,135)
Interest element of hire purchase payments	(3,207)	(3,143)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(26,374)</u>	<u>(31,842)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(20,603)	(17,869)
Sale of tangible fixed assets	85	-
<b>Net cash outflow for capital expenditure</b>	<u>(20,518)</u>	<u>(17,869)</u>
<b>Financing</b>		
Loan repayments in year	(2,692)	-
Amount introduced by directors	-	33,164
Amount withdrawn by directors	(9,150)	-
<b>Net cash (outflow)/inflow from financing</b>	<u>(11,842)</u>	<u>33,164</u>

The notes form part of these financial statements

**LAZORON PLC**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.00 £	Cash flow £	At 31.12.00 £
Net cash:			
Cash at bank and in hand	76,200	(28,118)	48,082
Bank overdraft	(735,665)	249,812	(485,853)
	<u>(659,465)</u>	<u>221,694</u>	<u>(437,771)</u>
Debt:			
Hire purchase	(11,922)	2,692	(9,230)
	<u>(11,922)</u>	<u>2,692</u>	<u>(9,230)</u>
Total	<u>(671,387)</u>	<u>224,386</u>	<u>(447,001)</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	76,200		48,082
Bank overdraft	(735,665)		(485,853)
Hire purchase			
within one year	(2,692)		(2,692)
after one year	(9,230)		(6,538)
	<u>(671,387)</u>		<u>(447,001)</u>

## LAZORON PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention.

##### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on cost
Display stands	- 25% on cost
Motor vehicles	- 25% on cost

##### Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

##### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

##### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

#### 2. STAFF COSTS

	2000 £	1999 £
Wages and salaries	228,748	223,674
Social security costs	18,254	14,698
Other pension costs	1,200	897
	<hr/> 248,202 <hr/>	<hr/> 239,269 <hr/>

**LAZORON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**2. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	2000	1999
Warehouse	3	3
Administration	10	10
Directors	3	3
	<u>16</u>	<u>16</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation - owned assets	21,521	17,255
Depreciation - assets on hire purchase contracts	4,988	4,988
Loss on disposal of fixed assets	57	-
Auditors' remuneration	4,000	7,300
	<u>80,167</u>	<u>69,167</u>
Directors' emoluments	80,167	69,167
Directors' pension contributions to money purchase schemes	1,200	897
Compensation to directors for loss of office	-	30,000
	<u>-</u>	<u>30,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1
	<u>1</u>	<u>1</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2000 £	1999 £
Bank interest	38,769	40,709
Other interest paid	1,934	1,426
Hire purchase interest	1,783	1,783
Leasing charges	1,424	1,360
	<u>43,910</u>	<u>45,278</u>

**5. TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	2000 £	1999 £
UK corporation tax	8,375	76
	<u>8,375</u>	<u>76</u>

**LAZORON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**6. TANGIBLE FIXED ASSETS**

	Leasehold property	Plant and machinery	Display stands	Motor vehicles	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 January 2000	2,141	122,749	74,818	35,123	234,831
Additions	-	6,684	8,919	5,000	20,603
Disposals	-	(440)	-	-	(440)
At 31 December 2000	2,141	128,993	83,737	40,123	254,994
<b>DEPRECIATION:</b>					
At 1 January 2000	2,141	96,500	54,413	23,486	176,540
Charge for year	-	11,786	9,318	5,405	26,509
Eliminated on disposals	-	(298)	-	-	(298)
At 31 December 2000	2,141	107,988	63,731	28,891	202,751
<b>NET BOOK VALUE:</b>					
At 31 December 2000	-	21,005	20,006	11,232	52,243
At 31 December 1999	-	26,249	20,405	11,637	58,291

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
<b>COST:</b>	
At 1 January 2000 and 31 December 2000	19,950
<b>DEPRECIATION:</b>	
At 1 January 2000	8,313
Charge for year	4,988
At 31 December 2000	13,301
<b>NET BOOK VALUE:</b>	
At 31 December 2000	6,649
At 31 December 1999	11,637

**7. STOCKS**

	2000 £	1999 £
Finished goods	444,287	600,545

**LAZORON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**8. DEBTORS**

	2000 £	1999 £
Amounts falling due within one year:		
Trade debtors	1,319,059	1,254,703
Loans	3,000	10,362
Prepayments	27,528	34,065
	<u>1,349,587</u>	<u>1,299,130</u>
Amounts falling due after more than one year:		
Loans	<u>3,750</u>	<u>6,749</u>
Aggregate amounts	<u>1,353,337</u>	<u>1,305,879</u>

**9. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts (see note 11)	485,853	735,665
Hire purchase contracts (see note 12)	2,692	2,692
Trade creditors	1,047,256	953,364
Directors current account	26,706	35,856
Other creditors	157,264	252,542
V.A.T.	33,371	34,394
Other taxes & social security	6,824	5,954
Corporation tax	8,375	76
Accruals	52,779	35,539
	<u>1,821,120</u>	<u>2,056,082</u>

**10. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Hire purchase contracts (see note 12)	<u>6,538</u>	<u>9,230</u>

**11. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>485,853</u>	<u>735,665</u>

**LAZORON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	2000 £	1999 £
Gross obligations repayable:		
Within one year	9,230	2,692
Between one and five years	-	9,230
	<u>9,230</u>	<u>11,922</u>
Net obligations repayable:		
Within one year	9,230	2,692
Between one and five years	-	9,230
	<u>9,230</u>	<u>11,922</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiring:				
Within one year	-	-	1,166	988
In more than five years	46,200	32,000	-	-
	<u>46,200</u>	<u>32,000</u>	<u>1,166</u>	<u>988</u>

**13. SECURED DEBTS**

The following secured debts are included within creditors:

	2000 £	1999 £
Hire purchase contracts	9,230	11,922
Payments received on account	451,168	714,587
Trade creditors	581,104	263,239
	<u>1,041,502</u>	<u>989,748</u>

The payments received on account are secured by a fixed charge over book debt and a floating charge over all other assets.

The trade creditors are secured by a second floating charge over all other assets.



**LAZORON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**14. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2000	1999
			£	£
200,000	Ordinary shares	£1	<u>200,000</u>	<u>200,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2000	1999
			£	£
134,150	Ordinary shares	£1	<u>134,150</u>	<u>134,150</u>

**15. RELATED PARTY DISCLOSURES**

The company paid property rentals totalling £36,200 (1999: £32,000) during the year to J A and C L Clarke, both are directors of the Company.

J A and C L Clarke have provided personal guarantees to cover debts due to the factoring company £451,168 (1999: £714,587).

Consultancy fees of £5,600 (1999: £6,000) were paid to Edington Management Services, a business operated by D J Bass , a non-executive director.

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000	1999
	£	£
Profit for the financial year	<u>94,688</u>	<u>57,028</u>
<b>Net addition to shareholders' funds</b>	<b>94,688</b>	<b>57,028</b>
Opening shareholders' funds	<u>(24,397)</u>	<u>(81,425)</u>
<b>Closing shareholders' funds</b>	<b><u>70,291</u></b>	<b><u>(24,397)</u></b>
Equity interests	<u>70,291</u>	<u>(24,397)</u>