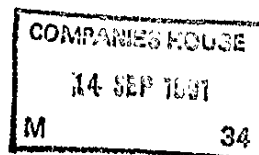


SYSTEM 2000 STOREFRONTS LIMITED
(formerly Limewood Limited)
AND ITS SUBSIDIARY COMPANIES
REPORT AND FINANCIAL STATEMENTS

31st December 1990
Registered No. 2431663



SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

DIRECTORS' REPORT

31st December 1990

The directors present their first report and the audited financial statements of the company for the period from 12th October 1989 (date of incorporation) to 31st December 1990.

Change of name

The company was incorporated on 12th October 1989 as Limewood Limited. A special resolution was passed on 5th April 1990 to change the name to System 2000 Storefronts Limited.

Principal activity

The company did not trade during the period and has made neither profits nor losses.

Directors and shareholdings

The following were directors of the company at 31st December 1990

J.E. Rowley)
A.E. Rowley) Appointed on 15th December 1989
S.V. Rathbone)

Combined Secretarial Services Limited and Combined Nominees Limited were appointed as the first directors on incorporation and resigned on 15th December 1989.

The directors' shareholdings are as follows

Director	Ordinary shares of £1 each 1990	Date of appointment
J.E. Rowley	980	500
A.E. Rowley	10	500
S.V. Rathbone	10	Nil

Post balance sheet event

On 1st January 1991 the trade assets and liabilities of Freelance Door Services Limited were transferred to System 2000 Storefronts Limited.

Fixed assets

The movements in fixed assets during the year are set out in note 8 to the financial statements.

SYSTEM 2000 STOREFRONTS LIMITED

(Formerly Limewood Limited)

DIRECTOR'S REPORT

31st December 1990
(continued)

Secretary

The first secretary of the company was Combined Secretarial Services Limited who resigned on 15th December 1989 and Mr. J.E. Rowley was appointed on that date.

Close company provisions

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditors

The auditors, Kidsons Impey, being eligible, offer themselves for re-election. A resolution to re-appoint Kidsons Impey as the company's auditors will be proposed at the Annual General Meeting.

KIDSON'S IMPEY

39/41 Wood End Lane
Birmingham
B24 8AN

9th May 1991

By Order of the Board

J.E. Rowley
Secretary

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

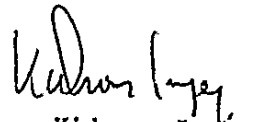
AUDITORS' REPORT

Auditors' report to the members of System 2000 Storefronts Limited
(formerly Limewood Limited)

We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards.

In our opinion these financial statements give a true and fair view of the state of affairs of the group at 31st December, 1990 and of the results for the period and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above we draw attention to the fact that the financial statements do not show the manner in which the operations of the company have been financed or in which its financial resources have been used during the period as required by Statement of Standard Accounting Practice No. 10.


Kidsons Impey

Chartered Accountants

Birmingham

9th May 1991

KIDSONS IMPEY

SYSTEM 2000 STOREFRONTS LIMITED
(formerly Limewood Limited)
AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 31st December 1990

	Note	1990
Turnover	2	838,163
Cost of sales		(440,867)
Gross profit		397,296
Distribution costs		(87,586)
Administrative expenses		(250,402)
Operating profit	3	59,308
Interest payable	6	(45,237)
Profit on ordinary activities before taxation		14,071
Taxation	7	(4,019)
Retained profit for the year	18	10,052

KIDSON IMPEY

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

at 31st December 1990

	Note	1990	
		£	£
Fixed assets			
Tangible assets	8		456,046
Current assets			
Stocks	10	127,884	
Debtors	11	260,248	
Cash at bank and in hand		<u>21</u>	
		388,153	
Creditors: amounts falling due within one year	12	(338,408)	
Net current assets			<u>49,745</u>
Total assets less current liabilities			505,791
Creditors: amounts falling due in more than one year	13		(104,937)
Provision for liabilities and charges			
Deferred tax	14		<u>(3,500)</u>
Net assets			397,354
Capital and reserves			<u> </u>
Called up share capital	15		1,000,000
Share premium			239,002
Revaluation reserve	16		20,000
Capital reserve	17		127,300
Profit and loss account	18		<u>10,052</u>
			397,354

The financial statements were approved by the Board of Directors on 9th May 1991

J.E. Rowley)
) Directors
 A.E. Rowley)

Notes on financial statements - pages 7 to 14

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

BALANCE SHEET

at 31st December 1990

	Note	1990 £
Fixed assets		
Investment in subsidiaries	9	240,000
Current assets		
Debtors	11	2
Net assets		240,002
Capital and reserves		
Called up share capital	15	1,000
Share premium		<u>239,002</u>
		<u>240,002</u>

The financial statements were approved by the Board of Directors on 9th May 1991.

J.E. Rowley

) Directors

A.E. Rowley

)

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention except for freehold property which is stated at valuation and in accordance with applicable accounting standards.

Source and application of funds statements

As the source and application of funds statement provides a link between the balance sheet at the beginning of the period, the profit and loss account during the period and the balance sheet for the company, it is considered that in the first period of trading the statement is meaningless and therefore has been excluded from the financial statements.

Depreciation

Depreciation is provided on a basis calculated to write off the relevant assets over their expected useful lives. The principal annual rates used for this purpose are

Buildings	1%	Straight line
Plant and machinery	15%	Reducing balance
Fixtures and fittings -		
Computers	15%-20%	Straight line
Others	15%	Reducing balance
Motor vehicles	25%	Reducing balance

Stocks

Stocks of raw materials have been valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes.

Hire purchase and leasing

Fixed assets acquired under hire purchase and finance lease agreements are capitalised and the corresponding liability is included in creditors. Depreciation is calculated to write off the cost of the asset over the shorter of its useful economic life and the term of the lease. Rentals paid under operating leases are charged to income as incurred.

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990

(continued)

2 Turnover

Turnover represents the invoiced value excluding value added tax of goods sold and services provided to customers and is attributable to the principal activities of the trading company, being the manufacture and installation of commercial roller shutter doors.

Turnover relates entirely to trade in the United Kingdom.

3 Operating profit

1990

Operating profit is stated after charging

£

Amortisation - deferred development expenditure

5,000

Depreciation - owned assets

14,632

- leased assets

15,103

Directors' emoluments (see note 4)

62,859

Auditors' remuneration

4,500

Loss on sale of fixed assets

1,189

4 Directors' emoluments

Directors' emoluments

62,859

Emoluments, excluding pension contributions
are analysed as follows:

Chairman and highest paid director

24,904

Other directors

Number

£10,001 - £15,000

1

£15,001 - £20,000

1

-

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990
(continued)

5 Staff numbers and costs

The average number of persons, including directors, employed by the group during the year was

	1990 Number
Production	18
Administration	<u>11</u>
	29
	<u>—</u>

The aggregate costs of employment were as follows

	£
Wages and salaries	286,689
Social security costs	27,685
Pension costs	<u>6,287</u>
	320,661

6 Interest payable

Bank interest	36,187
Hire purchase interest	<u>9,050</u>
	45,237

7 Taxation

Corporation tax on profit on ordinary activities at 25%	6,500
Deferred taxation	<u>(2,500)</u>
	4,000
Corporation tax underprovided in previous years 1988	<u>19</u>
	4,019

KIDSON IMPEY

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990
(continued)

8	Tangible assets	Freehold property £	Plant & Machinery £	Fixtures & fittings £	Motor vehicles £	Total £
	Group					
	Cost or valuation					
	Additions	325,000	108,928	27,046	165,270	626,244
	Disposals	-	-	(5,575)	(43,905)	(49,480)
	Revaluation	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
	31st December 1990	<u>345,000</u>	<u>108,928</u>	<u>21,471</u>	<u>121,365</u>	<u>596,764</u>
	Depreciation					
	Accumulated depreciation on additions	-	60,623	19,223	66,077	145,923
	Charge for year	-	7,246	1,326	21,163	29,735
	Disposals	<u>-</u>	<u>-</u>	<u>(5,575)</u>	<u>(29,365)</u>	<u>(34,940)</u>
	31st December 1990	<u>-</u>	<u>67,869</u>	<u>14,974</u>	<u>57,875</u>	<u>140,718</u>
	Net book value					
	31st December 1990	<u>345,000</u>	<u>41,059</u>	<u>6,497</u>	<u>63,490</u>	<u>456,046</u>

Notes

i. The freehold property was professionally valued as at 31st December, 1990 at £345,000 by Chartered Surveyors, from Messrs. Nattrass Giles. The property was valued in the open market on the basis of existing use.

ii. Cost or valuation comprises	1990 £
Property at 1990 valuation	345,000
Other assets at cost	<u>251,764</u>
	<u>596,764</u>

iii. On an historical cost basis, properties would have been included at	Freehold properties £
Cost at 31st December 1990	93,745
Depreciation at 31st December, 1990	<u>-</u>
Net book value	
31st December 1990	<u>93,745</u>

iv. Included in motor vehicles are hired and leased assets amounting to £45,311.

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990

(continued)

9	Investments	1990
	Shares at cost	£
	Shares in subsidiary company	240,000

The following were wholly owned subsidiaries at the period end.

Name of company	Principal activity
Freelance Door Services (whole of share capital acquired on 1st January 1990)	Manufacture and installation of roller shutter doors
*Securidoor Limited	Dormant company
* Shares held by Freelance Door Services Limited.	

10	Stocks	1990
		£
	Raw materials	102,434
	Work in progress	25,450
		127,884

11	Debtors	1990
	Amounts falling due within one year	Group Company
	Trade debtors	248,038 -
	Other debtors (note)	11,803 2
	Prepayments and accrued income	407 -
		260,248 2

Note

Included in group other debtors is £10,000 relating to deferred development expenditure for the "System 3000" project. This amount is being written off over three years in equal instalments and commenced in 1990.

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990
(continued)

12	Creditors - Group	1990
	Amounts falling due within one year	£
	Element of medium term loan (at variable rate of interest) payable within one year (note i)	3,107
	Bank overdraft (note i)	145,185
	Trade creditors	94,730
	Taxation	15,550
	Other taxes and social security	36,750
	Hire purchase and leasing obligations	21,066
	Accruals	<u>22,020</u>
		338,408
13	Creditors - Group	
	Amounts falling due in more than one year	
	Element of medium term loan (as above) payable in more than one year (note i)	92,796
	Hire purchase and leasing obligations	<u>12,141</u>
		104,937

Notes

- i. The medium term loan and the group overdraft are secured by a first legal mortgage over the company's freehold property and a debenture from the company dated 2nd January, 1980.
- ii. Included in the bank loan is £67,901 which is repayable in more than five years.
- iii. The company overdraft is the subject of a cross guarantee with its subsidiary.

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Linewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990
(continued)

14	Provision for liabilities and charges	1990 £
	The provision for deferred tax includes the following	
	Accelerated capital allowances	3,500
	Other timing differences	<u>—</u>
		3,500
		<u>—</u>
	If the properties were sold at book values the potential liability to capital gains tax would be £72,000.	
15	Called up share capital	1990
		Issued and
		Authorised fully paid
		£ £
	Ordinary shares of £1 each	50,000 1,000
		<u>—</u> <u>—</u>
	On 15th December 1989 the authorised share capital was increased from 100 to 50,000 ordinary shares of £1 each.	
	During the period a further 998 ordinary shares of £1 each were issued in addition to the original 2 subscriber shares. The issue of shares was made to assist in the group restructuring which took place during the period.	
16	Revaluation reserve	1990 £
	Revaluation during the year	<u>20,000</u>
	31st December 1990	20,000
17	Capital reserve	<u>—</u>
	Reserve arising upon acquisition of subsidiary	127,300
18	Profit and loss account	<u>—</u>
	Retained profit for the year	<u>10,052</u>
	Balance 31st December 1990	<u>10,052</u>

SYSTEM 2000 STOREFRONTS LIMITED

(formerly Limewood Limited)

AND ITS SUBSIDIARY COMPANIES

NOTES ON FINANCIAL STATEMENTS

31st December 1990
(continued)

19 Transactions involving directors

Mr. J.E. Rowley was a director of and substantial shareholder in Wickham Holdings Limited from which the group has purchased several fixed assets during the year, all of which have been acquired at arms length and in the normal course of business. No other director has had any beneficial interest in any contract to which the company was a party during the financial year.

20 Capital commitments

There were no capital commitments authorised or contracted at 31st December 1990.

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