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FLEXICO DEVELOPMENTS LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

31ST MARCH 1984



BULLIMORES
Chartered Accountants,
261 High Street,
Dorking,
Surrey, RH4 1RL

FLEXICO DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1984

The Directors present their report and accounts for the year ended 31st March 1984.

Activity

The company carries on the business of manufacturers of specialised dental products.

Results

The profit for the year before taxation was £7,704 (1983 £4,862).
The directors do not recommend payment of a dividend.

Review of the business

It is anticipated that the company will continue to trade at a profit in the future.

Directors and their interests

The directors during the year and their shareholdings in the parent company J. & S. Davis (Holdings) Limited were:-

J.M. Davis	76,240
Mrs. H.R. Davis	31,947
R.P. Crowdy	11,958
R.P. Crowdy and M.J. Fielder as trustees	17,739
W.V. Morgan	2,248
Family of a director	6,296
J.M. Davis, R.P. Crowdy and M.J. Fielder as trustees	27,236

Auditors

A resolution to reappoint Messrs. Bullimores as auditors will be put to the members at the Annual General Meeting.

By order of the board

Orshan Fuller
.....
Secretary

...30th May 1984....
Dated

Cordent House,
Friern Park,
London, N12

AUDITORS' REPORT
TO THE MEMBERS OF
FLEXICO DEVELOPMENTS LIMITED

We have audited the accounts on pages 3 to 8, in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st March 1984 and of its result and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

[Signature]
.....
Chartered Accountants

[Signature]
.....
Dated

261 High Street,
Dorking,
Surrey,
RH4 1RL

FLEXICO DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1984

	<u>Notes</u>	<u>£</u>	<u>1983</u> <u>£</u>
Turnover	1 (b)	176,772	189,127
Cost of sales		136,472	154,611
Gross profit		40,300	34,516
Administration expenses		31,510	28,444
Operating profit	2	8,790	6,072
Interest payable	3	1,066	1,210
Profit on ordinary activities before taxation		7,704	4,862
Retained profit brought forward		12,357	7,495
		<u>£ 20,061</u>	<u>£ 12,357</u>

The notes on pages 6 to 8 form part of these accounts.

FLEXICO DEVELOPMENTS LIMITED
BALANCE SHEET AS AT 31ST MARCH 1984

	<u>Notes</u>	£	£	<u>1983</u> £
<u>FIXED ASSETS</u>				
Intangible assets	4	7,800		7,800
Tangible assets	5	1,838		1
			9,638	7,801
<u>CURRENT ASSETS</u>				
Stocks	6	60,244		57,424
Debtors	7	148,412		113,474
		208,656		170,898
<u>CREDITORS:</u> Amounts falling due within one year	8	196,223		164,332
<u>NET CURRENT ASSETS</u>			12,433	6,566
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			£ 22,071	£ 14,367
<u>CAPITAL AND RESERVES</u>				
Called up share capital	9		100	100
Share premium account			1,910	1,910
Profit and loss account			20,061	12,357
			£ 22,071	£ 14,367

Approved by the board on 20th May 1984...

.....
W.V. Morgan } Directors

The notes on pages 6 to 8 form part of these accounts.

FLEXICO DEVELOPMENTS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH 1984

	£	£	<u>1983</u> £
<u>SOURCE OF FUNDS</u>			
Profit on ordinary activities before taxation		7,704	4,862
Adjustment for items not involving the movement of funds			
Depreciation		1,837	2,750
		<hr/>	<hr/>
<u>TOTAL GENERATED FROM OPERATIONS</u>		9,541	7,612
<u>APPLICATION OF FUNDS</u>			
Purchase of tangible fixed assets		3,675	-
		<hr/>	<hr/>
<u>WORKING CAPITAL - INCREASE</u>		£ 5,866	£ 7,612
		<hr/>	<hr/>
<u>COMPONENTS OF INCREASE IN WORKING CAPITAL</u>			
Stocks	2,819		9,622
Debtors	-		(254)
Due by related companies	(34,875)		21,128
Trade creditors	(1,376)		11,418
Other creditors	2,715		(2,564)
Due to related companies	34,938		(31,434)
	<hr/>		<hr/>
		4,221	7,916
<u>MOVEMENT IN NET LIQUID FUNDS</u>			
Bank overdraft		1,645	(304)
		<hr/>	<hr/>
		£ 5,866	£ 7,612
		<hr/>	<hr/>

FLEXICO DEVELOPMENTS LIMITEDNOTES TO THE ACCOUNTSAT 31ST MARCH 19841. ACCOUNTING POLICIES(a) Basis of Accounting

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents the invoiced amount of goods sold (net of value added tax). All turnover arises wholly in the United Kingdom.

(c) Depreciation

Depreciation is provided on all tangible assets, at rates calculated to write off the relevant asset over its expected useful life. The following rate is used:

Tools	50% straight line
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(d) Stocks

Stocks are stated at the lower of cost and net realisable value.

2. OPERATING PROFIT

This is stated after charging:

	£	<u>1983</u> £
Audit fees	750	700
Depreciation	1,837	2,750
	<u> </u>	<u> </u>

FLEXICO DEVELOPMENTS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 19843. INTEREST PAYABLE

	£	1983 £
Bank overdraft	1,086	1,210

4. INTANGIBLE ASSETS

Goodwill of £7,800, being the excess of the purchase price of the company over its net assets at the date of purchase by J. & S. Davis (Holdings) Limited.

5. TANGIBLE FIXED ASSETS

	Patents and Trade Marks £	Tools £	Total £
Cost at 1st April 1983	144	20,061	20,205
Additions	-	3,674	3,674
Cost at 31st March 1984	144	23,735	23,879
Depreciation at 1st April 1983	143	20,061	20,204
Provided during the year	-	1,837	1,837
Depreciation at 31st March 1984	143	21,898	22,041
Net book value at			
31st March 1984	£ 1	£ 1,837	£ 1,838
31st March 1983	£ 1	£ -	£ 1

6. STOCKS

	£	1983 £
Finished goods and goods for resale	60,244	57,424

FLEXICO DEVELOPMENTS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 19847. DEBTORS

	£	<u>1983</u> £
Amounts due by related companies	148,412	113,476
	<u>£148,412</u>	<u>£113,474</u>

8. CREDITORS: Amounts falling due within one year

	£	<u>1983</u> £
Bank overdrafts	7,492	9,137
Trade creditors	21,436	20,079
Amounts owed to group companies	161,142	126,267
Other creditors	573	5,109
Accruals	1,605	1,276
Other taxes and social security costs	3,955	2,464
	<u>£196,223</u>	<u>£164,332</u>

9. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>No.</u>	<u>1983</u> <u>No.</u>	<u>£</u>	<u>1983</u> <u>£</u>
Ordinary shares of £1 each	100	100	100	100

10. HOLDING COMPANY

The company is a wholly owned subsidiary of J. & S. Davis (Holdings) Limited

11. TAXATION

No liability to Corporation Tax arises on the results for the year.

FLEXICO DEVELOPMENTS LIMITEDYEAR ENDED 31ST MARCH 1984SUPPORTING SCHEDULES1. COST OF SALES

	£	£	1983 £
Opening stock		57,424	47,802
<u>Add</u> Purchases	137,090		161,093
Royalties	365		390
Depreciation	1,837		2,750
		139,292	164,233
<u>Less</u> Closing stock		(60,244)	(57,424)
		£136,472	£154,611

2. ADMINISTRATION EXPENSES

Bank charges	21	18
General expenses	20	20
Audit fees	750	700
Administration charge (J. & S. Davis (Holdings) Ltd.)	30,719	27,706
	£ 31,510	£ 28,444