M GARDNER LIMITED

ABBREVIATED REPORT AND FINANCIAL STATEMENTS

PERIOD FROM 29 FEBRUARY 2000 TO 31 MAY 2001

COMPANY REGISTRATION NUMBER 00475421

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M GARDNER LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the period from 29 February 2000 to 31 May 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Cassons
Chartered Accountants
& Registered Auditors
Bow Chambers
8 Tib Lane
Manchester
M2 4JB

21 DEC 2001

M GARDNER LIMITED

ABBREVIATED BALANCE SHEET

31 MAY 2001

	Note	31 May 01		28 Feb 00	
		£	£	£	£
FIXED ASSETS	2				
Intangible assets			-		204,000
Tangible assets			**32,980**		57,993
Investments			**118,439**		37,295
			151,419		299,288
CURRENT ASSETS					
Stocks		**67,893**		129,836	
Debtors	3	**233,590**		296,422	
Cash at bank and in hand		**102,857**		47,501	
		404,340		473,759	
CREDITORS: Amounts falling Due within one year	4	**(165,100)**		(245,528)	
NET CURRENT ASSETS			**239,240**		228,231
TOTAL ASSETS LESS CURRENT LIABILITIES			**390,659**		527,519
CREDITORS: Amounts falling due After more than one year	5		-		(203,485)
			390,659		324,034
CAPITAL AND RESERVES					
Called up share capital	6		**200**		200
Profit and loss account			**390,459**		323,834
SHAREHOLDERS' FUNDS			**390,659**		324,034

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on 13 DEC 2001 and are signed on their behalf by:

K Gardner
Director

1. ACCOUNTING POLICIES

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

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Amortisation
Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	10% straight line

Depreciation
Depreciation is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures & fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Stocks
Stock is valued at the lower of cost or net realisable value. Net realisable value is based upon the estimated selling price after taking into account all further costs expected to be incurred on completion and disposal.

Hire purchase agreements
Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating leases
Rentals applicable to leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs
Retirement benefits to employees are funded by contributions from the company and employees. These payments are charged against the profits of the year as paid.

Deferred taxation
Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise. However no provision is necessary in these financial statements.

Employee benefit trust
Contributions made to the M Gardner Limited Employee Benefit Trust are charged against profits of the year as paid.

2. FIXED ASSETS

	Intangible Assets £	Tangible Fixed Assets £	Investments £	Total £
COST				
At 29 February 2000	**576,000**	**108,900**	**37,295**	**722,195**
Additions	**-**	**-**	**351,144**	**351,144**
Disposals	**(340,000)**	**(30,100)**	**(270,000)**	**(640,100)**
At 31 May 2001	**236,000**	**78,800**	**118,439**	**433,239**
DEPRECIATION				
At 29 February 2000	**372,000**	**50,907**	**-**	**422,907**
Charge for period	**-**	**11,658**	**-**	**11,658**
On disposals	**(136,000)**	**(16,745)**	**-**	**(152,745)**
At 31 May 2001	**236,000**	**45,820**	**-**	**281,820**
NET BOOK VALUE				
At 31 May 2001	**-**	**32,980**	**118,439**	**151,419**
At 28 February 2000	204,000	57,993	37,295	299,288

3. DEBTORS

Debtors include amounts of £1,768 (2000 - £nil) owed by the directors.

4. CREDITORS: Amounts falling due within one year

	31 May 01 £	28 Feb 00 £
Includes:		
Directors loan accounts	-	10,301

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	31 May 01 £	28 Feb 00 £
Bank loans and overdrafts	-	16,804
Hire purchase agreements and finance leases	-	2,222
	-	19,026

5. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	31 May 01 £	28 Feb 00 £
Bank loans and overdrafts	-	203,485

6. SHARE CAPITAL

Authorised share capital:

	31 May 01 £	28 Feb 00 £
1,000 Ordinary shares of £1.00 each	**1,000**	1,000

Allotted, called up and fully paid:

	31 May 01 £	28 Feb 00 £
Ordinary share capital	**200**	200