

Company Registration No. 1190813 (England and Wales)

**COPY FOR
REGISTRAR OF
COMPANIES**

**MARSHA INTERIORS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2001**

RICHARD ANTHONY & COMPANY
Chartered Accountants



MARSHA INTERIORS LIMITED

COMPANY INFORMATION

Directors	C W Lewis M K Lewis
Secretary	M K Lewis
Company number	1190813
Registered office	13 Station Road Finchley London N3 2SB
Accountants	Richard Anthony & Company 13 Station Road Finchley London N3 2SB

MARSHA INTERIORS LIMITED

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MARSHA INTERIORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2001

The directors present their report and financial statements for the year ended 31 July 2001.

Principal activities

The principal activity of the company continued to be that of Interior Designers. In the year under review, the Directors acknowledge that a substantial proportion of the company's income was derived from rents.

Directors

The following directors have held office since 1 August 2000:

C W Lewis
M K Lewis

Directors' interests

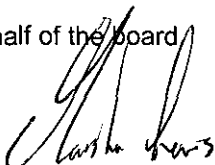
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 July 2001	1 August 2000
C W Lewis	30	30
M K Lewis	140	140

The shareholding of Mr C W Lewis includes a non-beneficial interest of 30 shares.

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

On behalf of the board



M K Lewis

Director

4 March 2002

MARSHA INTERIORS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF MARSHA INTERIORS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 July 2001, set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Richard Anthony Co.

Richard Anthony & Company
Chartered Accountants
Registered Auditors
13 Station Road
Finchley
London
N3 2SB

4 March 2002

MARSHA INTERIORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2001

	Notes	2001 £	2000 £
Turnover		1,315	-
Distribution costs		(1,809)	(2,043)
Administrative expenses		(25,134)	(17,626)
Other operating income		90,837	87,399
Operating profit	2	65,209	67,730
Other interest receivable and similar income		1,645	586
Interest payable and similar charges		(9,941)	(7,463)
Profit on ordinary activities before taxation		56,913	60,853
Tax on profit on ordinary activities	3	(12,211)	(13,140)
Profit on ordinary activities after taxation		44,702	47,713
Dividends		(79,500)	-
Retained (loss)/profit for the year	9	(34,798)	47,713

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MARSHA INTERIORS LIMITED

BALANCE SHEET AS AT 31 JULY 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4 and 5		420,225		420,827
Current assets					
Stocks		13,000		-	
Debtors	6	83,861		136,753	
Cash at bank and in hand		31,572		20,204	
		<u>128,433</u>		<u>156,957</u>	
Creditors: amounts falling due within one year	7	<u>(49,827)</u>		<u>(44,155)</u>	
Net current assets			78,606		112,802
Total assets less current liabilities			<u>498,831</u>		<u>533,629</u>
Capital and reserves					
Called up share capital	8		200		200
Revaluation reserve	9		359,123		359,123
Profit and loss account	9		139,508		174,306
Shareholders' funds - equity interests	10		<u>498,831</u>		<u>533,629</u>

In preparing these financial statements:

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 4 March 2002

C W Lewis
Director

M K Lewis
Director

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

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

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Boat and trailer	25% on written down value
Fixtures, fittings & equipment	10% on written down value
Motor vehicles	25% on written down value

Investment properties are included in the balance sheet at their open market value as estimated by the directors. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

This accounting policy is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors the treatment adopted is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Stock

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

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	602	787
Directors' emoluments	3,300	3,300

3 Taxation

	2001	2000
	£	£
Domestic current year taxation		
U.K. corporation tax	12,211	13,140

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

4 Tangible fixed assets

	Plant and machinery etc £
Cost or valuation	
At 1 August 2000 & at 31 July 2001	104,829
Depreciation	
At 1 August 2000	101,176
Charge for the year	602
At 31 July 2001	101,778
Net book value	
At 31 July 2001	3,051
At 31 July 2000	3,653

5 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 August 2000 & at 31 July 2001	417,174

The valuations of investment properties were made in January 1996 by the director of the company, on an open market basis. No depreciation is provided in respect of these properties. The surplus on Revaluation was transferred to Revaluation Reserve.

On an historical cost basis these would have been included at an original cost of £58,051 (2000 - £58,051).

6 Debtors	2001 £	2000 £
Trade debtors	8,286	9,589
Other debtors	75,575	127,164
	83,861	136,753

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Taxation and social security	28,368	16,156
Other creditors	21,459	27,999
	<u>49,827</u>	<u>44,155</u>

8 Share capital

	2001 £	2000 £
Authorised		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
200 Ordinary shares of £ 1 each	<u>200</u>	<u>200</u>

9 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 August 2000	359,123	174,306
Retained loss for the year	-	(34,798)
	<u>359,123</u>	<u>139,508</u>
Balance at 31 July 2001	<u>359,123</u>	<u>139,508</u>

10 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	44,702	47,713
Dividends	(79,500)	-
	<u>(34,798)</u>	<u>47,713</u>
Net (depletion in)/addition to shareholders' funds	<u>533,629</u>	<u>485,916</u>
Opening shareholders' funds	<u>533,629</u>	<u>485,916</u>
Closing shareholders' funds	<u>498,831</u>	<u>533,629</u>

11 Contingent liabilities

The company has, together with two connected companies, Royel Developments Limited and Royel Investments Limited, entered into loan agreements. Each company is jointly and severally liable up to the total amount outstanding. At 31st July 2001, total loan outstanding amounted to £ 3,525,000.

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

12 Transactions with directors

The following directors had an interest free loan during the year. The movement on this loan is as follows:

	Amount outstanding		Maximum in year
	2001	2000	
	£	£	£
Mr C W and Mrs M K Lewis	78,191	59,327	78,191

The outstanding balance referred to above was repaid by the directors on the 4th March 2002.

13 Control

The ultimate controlling parties are Mr C W Lewis and Mrs M K Lewis.

14 Related party transactions

Mr C W Lewis and Mrs M K Lewis are both related parties as they are directors of the company. They were not interested during, or at the year end in any contract which was significant in relation to the company's business.

15 Post balance sheet events

There are no significant post Balance Sheet events which materially affect the state of the company's affairs.