

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 2002**

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 2002

The directors present their report and financial statements for the year ended 31 July 2002.

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 2001:

C W Lewis
M K Lewis

Directors' interests

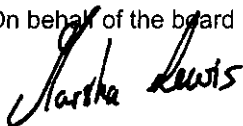
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 July 2002	1 August 2001
C W Lewis	60	60
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
3 July 2003

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 2002, set out on pages 3 to 10 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

3 July 2003

MARSHA INTERIORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2002

	Notes	2002 £	2001 £
Turnover		-	1,315
Distribution costs		(2,261)	(1,809)
Administrative expenses		(38,680)	(25,134)
Other operating income		119,923	90,837
Operating profit	2	78,982	65,209
Other interest receivable and similar income		1,111	1,645
Interest payable and similar charges		(7,984)	(9,941)
Profit on ordinary activities before taxation		72,109	56,913
Tax on profit on ordinary activities	3	(17,855)	(12,211)
Profit on ordinary activities after taxation		54,254	44,702
Dividends		(28,000)	(79,500)
Retained profit/(loss) for the year	10	26,254	(34,798)

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 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4 and 5		419,757		420,225
Current assets					
Stocks		13,000		13,000	
Debtors	6	83,051		83,861	
Cash at bank and in hand		54,456		31,572	
		<u>150,507</u>		<u>128,433</u>	
Creditors: amounts falling due within one year	7	<u>(45,395)</u>		<u>(49,827)</u>	
Net current assets			105,112		78,606
Total assets less current liabilities			524,869		498,831
Provisions for liabilities and charges	8		216		-
			<u>525,085</u>		<u>498,831</u>
Capital and reserves					
Called up share capital	9		200		200
Revaluation reserve	10		359,123		359,123
Profit and loss account	10		165,762		139,508
Shareholders' funds - equity interests	11		<u>525,085</u>		<u>498,831</u>

MARSHA INTERIORS LIMITED

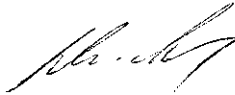
BALANCE SHEET AS AT 31 JULY 2002

In preparing these financial statements:

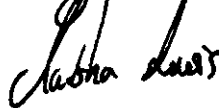
- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) 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 3 July 2003



C W Lewis
Director



M K Lewis
Director

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2002

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 cash flow 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

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment.

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2002

2	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	468	602
	Directors' emoluments	3,300	3,300
		<u> </u>	<u> </u>
3	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	18,065	12,211
	Adjustment for prior years	6	-
		<u> </u>	<u> </u>
	Current tax charge	18,071	12,211
	Deferred tax		
	Deferred tax charge/credit current year	(216)	-
		<u> </u>	<u> </u>
		17,855	12,211
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	72,109	56,913
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001 : 30.00 %)	21,633	17,074
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	1,175	227
	Depreciation add back	102	181
	Capital allowances	(331)	(441)
	Adjustments to previous periods	6	-
	Other tax adjustments	(4,514)	(4,830)
		<u> </u>	<u> </u>
		(3,562)	(4,863)
		<u> </u>	<u> </u>
	Current tax charge	18,071	12,211
		<u> </u>	<u> </u>

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2002

4 Tangible fixed assets

	Plant and machinery etc £
Cost or valuation	
At 1 August 2001 & at 31 July 2002	104,829
Depreciation	
At 1 August 2001	101,778
Charge for the year	468
At 31 July 2002	102,246
Net book value	
At 31 July 2002	2,583
At 31 July 2001	3,051

5 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 August 2001 & at 31 July 2002	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 (2001 - £58,051).

6 Debtors	2002 £	2001 £
Trade debtors	11,367	8,286
Other debtors	71,684	75,575
Deferred tax asset (see note 8)	216	-
	<u>83,267</u>	<u>83,861</u>

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2002

7	Creditors: amounts falling due within one year	2002	2001
		£	£
	Taxation and social security	18,006	28,368
	Other creditors	27,389	21,459
		<u>45,395</u>	<u>49,827</u>

8 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 6) is made up as follows:

	2002	
	£	
Profit and loss account	(216)	
	<u></u>	
	2002	2001
	£	£
Accelerated capital allowances	(216)	-
	<u></u>	<u></u>

9	Share capital	2002	2001
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u></u>	<u></u>
	Allotted, called up and fully paid		
	200 Ordinary shares of £ 1 each	200	200
		<u></u>	<u></u>

MARSHA INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2002

10 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 August 2001	359,123	139,508
Retained profit for the year	-	26,254
Balance at 31 July 2002	359,123	165,762

11 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the financial year	54,254	44,702
Dividends	(28,000)	(79,500)
Net addition to/(depletion in) shareholders' funds	26,254	(34,798)
Opening shareholders' funds	498,831	533,629
Closing shareholders' funds	525,085	498,831

12 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 2002, total loan outstanding amounted to £ 3,525,000.

13 Transactions with directors

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

14 Control

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

15 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.

16 Post balance sheet events

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

MARSHA INTERIORS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2002

	2002		2001	
	£	£	£	£
Turnover				
Sales		-		1,315
Opening stock of finished goods	13,000		-	
Purchases	-		13,000	
	<u>13,000</u>		<u>13,000</u>	
Closing stock of finished goods	(13,000)		(13,000)	
	<u></u>		<u></u>	
Distribution costs	2,261		1,809	
Administrative expenses	38,680		25,134	
	<u></u>	(40,941)	<u></u>	(26,943)
		(40,941)		(25,628)
Other operating income				
Rent receivable	104,234		79,994	
Boat hire	400		300	
Net commissions received	15,289		10,543	
	<u></u>	119,923	<u></u>	90,837
Operating profit		78,982		65,209
Other interest receivable and similar income				
Bank interest received	1,111		1,645	
	<u></u>	1,111	<u></u>	1,645
Interest payable				
Finanace charge	7,984		9,941	
	<u></u>	(7,984)	<u></u>	(9,941)
Profit before taxation		<u>72,109</u>		<u>56,913</u>

MARSHA INTERIORS LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 JULY 2002

	2002 £	2001 £
Distribution costs		
Travel and motor	2,132	1,637
Depreciation on motor vehicles	129	172
	<u>2,261</u>	<u>1,809</u>
 Administrative expenses		
Wages and salaries (excl. N.I.)	8,526	-
Directors' remuneration	3,300	3,300
Commissions payable	3,001	1,054
Storage Charges	482	392
Insurance	987	1,795
Light and heat	637	-
Boat expenses	1,428	6,191
Repairs and maintenance	12,072	7,587
Printing, postage and stationery	182	208
Telephone	1,069	1,383
Legal and prof fees	4,504	758
Accountancy	1,750	1,750
Bank charges	56	20
Sundry expenses	347	266
Depreciation on boat and trailer	271	362
Depreciation on FF & E	68	68
	<u>38,680</u>	<u>25,134</u>