

stephen starr

REGISTERED NUMBER: 1474635 (England and Wales)

CHARTERED ACCOUNTANTS

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ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2003

FOR

LEXADON LIMITED



LEXADON LIMITED

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for the Year Ended 31st January 2003

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LEXADON LIMITED

COMPANY INFORMATION
for the Year Ended 31st January 2003

DIRECTORS: J M Knight
Mrs J A Knight

SECRETARY: J M Knight

REGISTERED OFFICE: 26 The Parade, High Street
Watford
Hertfordshire
WD17 1AA

REGISTERED NUMBER: 1474635 (England and Wales)

AUDITORS: Stephen Starr
Registered Auditors
& Chartered Accountants
26 The Parade, High Street
Watford
Hertfordshire WD17 1AA

LEXADON LIMITED

REPORT OF THE DIRECTORS **for the Year Ended 31st January 2003**

The directors present their report with the financial statements of the company for the year ended 31st January 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property renovation dealers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £9016.60 per share.

The total distribution of dividends for the year ended 31st January 2003 will be £45,083.

DIRECTORS

The directors during the year under review were:

J M Knight
Mrs J A Knight

The beneficial interests of the directors holding office on 31st January 2003 in the issued share capital of the company were as follows:

	31.1.03	1.2.02
Ordinary £1 shares		
J M Knight	2	2
Mrs J A Knight	3	3

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

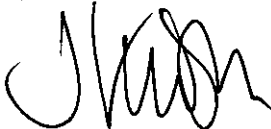
LEXADON LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31st January 2003

AUDITORS

The auditors Stephen Starr Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

x  x

J M Knight - Secretary

19th December 2003

REPORT OF THE INDEPENDENT AUDITORS TO
LEXADON LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages five to sixteen, together with the full financial statements of the company for the year ended 31st January 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

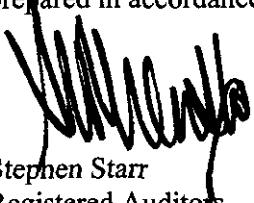
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to sixteen are properly prepared in accordance with that provision.



Stephen Starr
Registered Auditors
& Chartered Accountants
26 The Parade, High Street
Watford
Hertfordshire WD17 1AA

22nd December 2003

LEXADON LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
for the Year Ended 31st January 2003

<u>31.1.02</u>			<u>31.1.03</u>
£		Notes	£
1,337,091	GROSS PROFIT		1,450,786
476,612	Administrative expenses		393,610
860,479	OPERATING PROFIT	3	1,057,176
3,788	Interest receivable and similar income		6,495
864,267			1,063,671
169,792	Interest payable and similar charges	4	227,512
694,475	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		836,159
192,579	Tax on profit on ordinary activities	5	222,683
501,896	PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		613,476
45,333	Dividends	6	45,083
456,563			568,393
1,780,753	Retained profit brought forward		2,237,316
<u>£2,237,316</u>	RETAINED PROFIT CARRIED FORWARD		<u>£2,805,709</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

31st January 2003

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LEXADON LIMITED**CASH FLOW STATEMENT****for the Year Ended 31st January 2003**

31.1.02		Notes	31.1.03	
£	£		£	£
677,810	Net cash (outflow)/inflow from operating activities	1		(1,376,538)
(166,004)	Returns on investments and servicing of finance	2		(221,017)
(167,353)	Taxation			1
(1,170,536)	Capital expenditure	2		(89,727)
(45,333)	Equity dividends paid			(45,083)
(871,416)				(1,732,364)
880,797	Financing	2		2,371,408
£9,381	Increase in cash in the period			£639,044
Reconciliation of net cash flow to movement in net debt				
		3		
	Increase in cash in the period		639,044	
	Cash outflow from decrease in debt and lease financing		-	
	1,922			
11,303	Change in net debt resulting from cash flows			639,044
11,303	Movement in net debt in the period			639,044
(70,131)	Net debt at 1st February			(58,828)
£(58,828)	Net funds/(debt) at 31st January			£580,216

The notes form part of these abbreviated accounts

LEXADON LIMITED**NOTES TO THE CASH FLOW STATEMENT**
for the Year Ended 31st January 2003**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.1.03 £	31.1.02 £
Operating profit	1,057,176	860,479
Depreciation charges	1,185	6,110
Loss on sale of fixed assets	690	-
Increase in stocks	(2,455,721)	(448,462)
Decrease/(Increase) in debtors	41,261	(33,500)
(Decrease)/Increase in creditors	(21,129)	293,183
Net cash (outflow)/inflow from operating activities	(1,376,538)	677,810

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.1.03 £	31.1.02 £
Returns on investments and servicing of finance		
Interest received	6,495	3,788
Interest paid	(227,512)	(169,334)
Interest element of hire purchase or finance lease rentals payments	-	(458)
Net cash outflow for returns on investments and servicing of finance	(221,017)	(166,004)
Capital expenditure		
Purchase of tangible fixed assets	(102,727)	(1,170,536)
Sale of tangible fixed assets	13,000	-
Net cash outflow for capital expenditure	(89,727)	(1,170,536)
Financing		
New loan taken out in year	2,364,127	835,464
Amount introduced by directors	7,281	45,333
Net cash inflow from financing	2,371,408	880,797

The notes form part of these abbreviated accounts

LEXADON LIMITED**NOTES TO THE CASH FLOW STATEMENT**
for the Year Ended 31st January 2003**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.2.02 £	Cash flow £	At 31.1.03 £
Net cash:			
Cash at bank	-	630,255	630,255
Bank overdraft	(58,828)	8,789	(50,039)
	<u>(58,828)</u>	<u>639,044</u>	<u>580,216</u>
 Total	 <u>(58,828)</u>	 <u>639,044</u>	 <u>580,216</u>
 Analysed in Balance Sheet			
 Cash at bank	 -		630,255
Bank overdraft	(58,828)		(50,039)
	<u>(58,828)</u>		<u>580,216</u>

LEXADON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **for the Year Ended 31st January 2003**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Investment properties

Investment properties are included in the financial statements at valuation. The aggregate surplus from original cost is transferred to a revaluation reserve. Any aggregate unrealised deficit from original cost is charged to the profit and loss account.

On realisation any gain or loss is calculated by reference to the carrying value at the last balance sheet date and is included in the profit and loss account. Any balance in the revaluation reserve is transferred to the profit and loss account reserve.

In accordance with SSAP 19(Revised) 'Accounting for investment properties', investment properties are revalued annually. No depreciation or amortisation is provided in respect of investment properties with over 20 years unexpired. The Companies Act 1985 requires all properties to be depreciated, but that requirement conflicts with the generally accepted principle set out in SSAP 19(Revised). The directors consider that, as the properties are held for long term investment, a true and fair view is given by following SSAP 19(Revised). Depreciation is only one of many factors reflected in the annual valuation of properties and the amount of depreciation or amortisation which might otherwise have been charged cannot be separately identified or quantified.

LEXADON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **for the Year Ended 31st January 2003**

2. STAFF COSTS

	31.1.03	31.1.02
	£	£
Wages and salaries	130,555	151,980
Other pension costs	23,000	107,538
	<u>153,555</u>	<u>259,518</u>

The average monthly number of employees during the year was as follows:

	31.1.03	31.1.02
Administration	<u>2</u>	<u>2</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.1.03	31.1.02
	£	£
Hire of plant and machinery	16,312	15,149
Depreciation - owned assets	1,185	6,110
Loss on disposal of fixed assets	690	-
Auditors' remuneration	<u>17,094</u>	<u>16,900</u>
Directors' emoluments	<u>130,555</u>	<u>151,980</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.1.03	31.1.02
	£	£
Bank charges & interest	227,512	169,334
Hire purchase	-	458
	<u>227,512</u>	<u>169,792</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.1.03	31.1.02
	£	£
Current tax:		
UK corporation tax	<u>222,683</u>	<u>192,579</u>
Tax on profit on ordinary activities	<u>222,683</u>	<u>192,579</u>

UK corporation tax has been charged at 32.75% (2002 - 32.50%).

LEXADON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS
for the Year Ended 31st January 2003****6. DIVIDENDS**

	31.1.03 £	31.1.02 £
Equity shares:		
Final - share type 1	<u>45,083</u>	<u>45,333</u>

7. TANGIBLE FIXED ASSETS

	Totals	Investment properties	Equipment	Motor vehicles	Computer equipment
	£	£	£	£	£
COST OR VALUATION:					
At 1st February 2002	4,434,749	4,366,368	981	65,901	1,499
Additions	102,727	102,727	-	-	-
Disposals	(57,676)	-	-	(57,676)	-
At 31st January 2003	<u>4,479,800</u>	<u>4,469,095</u>	<u>981</u>	<u>8,225</u>	<u>1,499</u>
DEPRECIATION:					
At 1st February 2002	50,036	-	956	47,581	1,499
Charge for year	1,185	-	25	1,160	-
Eliminated on disposals	(43,986)	-	-	(43,986)	-
At 31st January 2003	<u>7,235</u>	<u>-</u>	<u>981</u>	<u>4,755</u>	<u>1,499</u>
NET BOOK VALUE:					
At 31st January 2003	<u>4,472,565</u>	<u>4,469,095</u>	<u>-</u>	<u>3,470</u>	<u>-</u>
At 31st January 2002	<u>4,384,714</u>	<u>4,366,369</u>	<u>25</u>	<u>18,320</u>	<u>-</u>

Cost or valuation at 31st January 2003 is represented by:

	Totals	Investment properties	Equipment	Motor vehicles	Computer equipment
	£	£	£	£	£
Valuation in 1997	50,197	50,197	-	-	-
Cost	<u>4,429,603</u>	<u>4,418,898</u>	<u>981</u>	<u>8,225</u>	<u>1,499</u>
	<u>4,479,800</u>	<u>4,469,095</u>	<u>981</u>	<u>8,225</u>	<u>1,499</u>

If investment properties had not been revalued they would have been included at the following historical cost:

	31.1.03 £	31.1.02 £
Cost	<u>4,423,390</u>	<u>4,320,663</u>

Investment properties were valued on open market basis on 31st January 2003 by J Knight-Director.

LEXADON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
for the Year Ended 31st January 2003**8. STOCKS**

	31.1.03	31.1.02
	£	£
Stock	<u>4,440,000</u>	<u>1,984,279</u>

The stock as at 31 January 2003 was valued at the lower of cost or realisable market value by Mr J M Knight-director.

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.1.03	31.1.02
	£	£
Sundry debtors	<u>18,235</u>	<u>59,496</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.1.03	31.1.02
	£	£
Bank loans and overdrafts (see note 12)	1,377,913	694,688
Trade creditors	34,918	22,358
Directors current accounts	198,064	190,784
Other Taxes & PAYE	4,486	2,533
Taxation	524,280	301,596
Accrued expenses	31,037	38,699
	<u>2,170,698</u>	<u>1,250,658</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.1.03	31.1.02
	£	£
Bank loans (see note 12)	3,954,921	2,282,808
Loan from pension fund	515,162	543,142
	<u>4,470,083</u>	<u>2,825,950</u>

LEXADON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
for the Year Ended 31st January 2003**12. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	31.1.03 £	31.1.02 £
Amounts falling due within one year or on demand:		
Bank overdrafts	50,039	58,828
Bank loans	1,327,874	635,860
	<u>1,377,913</u>	<u>694,688</u>
Amounts falling due between one and two years:		
Bank loans	<u>404,873</u>	<u>209,297</u>
Amounts falling due between two and five years:		
Bank loans	<u>1,175,581</u>	<u>603,665</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>2,374,467</u>	<u>1,469,846</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.1.03 £	31.1.02 £
Bank overdrafts	50,039	58,828
Bank loans	5,282,795	2,918,668
	<u>5,332,834</u>	<u>2,977,496</u>

The bank overdraft and loans are secured by legal mortgages over the unsold properties held by the company.

LEXADON LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**
for the Year Ended 31st January 2003**14. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	31.1.03	31.1.02
		value:	£	£
100	Ordinary	£1	100	100
			<u> </u>	<u> </u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.1.03	31.1.02
		value:	£	£
5	Ordinary	£1	5	5
			<u> </u>	<u> </u>

15. REVALUATION RESERVE

	31.1.03	31.1.02
	£	£
Revaluation reserve	50,197	50,197
	<u> </u>	<u> </u>

16. CAPITAL REDEMPTION RESERVE

	31.1.03	31.1.02
	£	£
Capital redemption reserve	5	5
	<u> </u>	<u> </u>

17. OTHER RESERVES

	31.1.03	31.1.02
	£	£
Brought forward	64,358	64,358
	<u> </u>	<u> </u>

18. TRANSACTIONS WITH DIRECTORS

During the year motor vehicle owned by the company was sold to Mr J Knight (Director). The agreed price which is believed to be fair value was £13000.

19. RELATED PARTY DISCLOSURES

The company was controlled throughout the current and previous year by its directors, Mr and Mrs J Knight by virtue of the fact that between them they own all of the company's ordinary share capital.

LEXADON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
for the Year Ended 31st January 2003

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.1.03	31.1.02
	£	£
Profit for the financial year	613,476	501,896
Dividends	(45,083)	(45,333)
Net addition to shareholders' funds	568,393	456,563
Opening shareholders' funds	2,351,881	1,895,318
Closing shareholders' funds	2,920,274	2,351,881
Equity interests	2,920,274	2,351,881