

Registered number
1744021



Rabart Decorators Merchants Ltd

Report and Accounts

31 December 2002

Rabart Decorators Merchants Ltd
Report and accounts
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Rabart Decorators Merchants Ltd
Company Information

Directors

Mr A Bush

Mr S Bush

Secretary

Mr S Bush

Auditors

Martin Howell and Co

Rabart House

Pontsarn Road

Merthyr Tydfil

Mid Glamorgan

CF48 2SR

Registered office

Rabart House

Pontsarn Road

Merthyr Tydfil

CF48 2SR

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Rabart Decorators Merchants Ltd

Directors' Report

The directors present their report and accounts for the year ended 31 December 2002.

Principal activities and review of the business

The company's principal activity during the year continued to be that of trade and retail sale of decorating materials.

The directors consider the results of the financial year to be very encouraging. The profit for the year, after taxation, amounted to £191,548. The Company has shown a significant increase in both turnover and profits, with increased margins also being achieved. The Company is in a sound position to consolidate its position in the marketplace.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in the financial year. They consider that the next year will show a further significant growth in sales.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
Mr A Bush	1	1
Mr S Bush	1	1

In accordance with the Articles of Association, Mr A Bush retires by rotation at the forthcoming AGM, and offers himself for re-election.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

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

The directors are responsible for maintaining 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 accounts 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.

Auditors

A resolution to reappoint Martin Howell and Co as auditors will be put to the members at the Annual General Meeting in accordance with s385 of the Companies Act 1985.

This report was approved by the board on 31st July 2003, and signed on its behalf by:

A Bush
Director



Rabart Decorators Merchants Ltd

Independent auditors' report to the shareholders of Rabart Decorators Merchants Ltd

We have audited the accounts of Rabart Decorators Merchants Ltd for the year ended 31st December 2002 which comprise pages 4 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Martin Howell and Co
Chartered Accountants & Registered Auditors



Rabart House
Pontsarn Road
Merthyr Tydfil
Mid Glamorgan
CF48 2SR

31st July 2003

Rabart Decorators Merchants Ltd
Profit and Loss Account
for the year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover	2	4,109,178	3,697,736
Cost of sales		(3,038,609)	(2,851,152)
Gross profit		<u>1,070,569</u>	<u>846,584</u>
Distribution costs		(401,937)	(373,834)
Administrative expenses		(452,835)	(395,199)
Other operating income		21,918	12,689
Operating profit	3	<u>237,715</u>	<u>90,240</u>
Exceptional items:			
loss on the disposal of tangible fixed assets	4	(1,720)	-
		<u>235,995</u>	<u>90,240</u>
Interest receivable		4,080	5,796
Interest payable	6	(358)	(1,148)
Profit on ordinary activities before taxation		<u>239,717</u>	<u>94,888</u>
Tax on profit on ordinary activities	7	(48,169)	(18,167)
Profit for the financial year		<u>191,548</u>	<u>76,721</u>
Dividends:			
ordinary dividend on equity shares	8	(32,000)	(80,000)
Retained profit/(loss) for the financial year	18	<u>159,548</u>	<u>(3,279)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Rabart Decorators Merchants Ltd
Balance Sheet
as at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Intangible assets	9	77,066	81,348
Tangible assets	10	165,923	136,688
		<u>242,989</u>	<u>218,036</u>
Current assets			
Stocks	11	732,976	611,119
Debtors	12	494,601	522,608
Cash at bank and in hand		325,029	350,227
		<u>1,552,606</u>	<u>1,483,954</u>
Creditors: amounts falling due within one year	13	(703,887)	(763,575)
Net current assets		<u>848,719</u>	<u>720,379</u>
Total assets less current liabilities		<u>1,091,708</u>	<u>938,415</u>
Creditors: amounts falling due after more than one year	14	(14,418)	(22,223)
Provisions for liabilities and charges			
Deferred taxation	16	(5,476)	(3,926)
Other provisions		-	-
		<u>1,071,814</u>	<u>912,266</u>
Capital and reserves			
Called up share capital	17	2	2
Profit and loss account	18	1,071,812	912,264
Shareholders' funds:			
Equity		<u>1,071,814</u>	<u>912,266</u>
	19	<u>1,071,814</u>	<u>912,266</u>

Approved by the board on 31st July 2003, and signed on its behalf by:

A Bush
Director



Rabart Decorators Merchants Ltd
Cash Flow Statement
for the year ended 31 December 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		237,715	90,240
Depreciation charges		51,187	50,522
Amortisation of goodwill		4,282	4,282
Increase in stocks		(121,857)	(180,921)
Decrease/(increase) in debtors		28,007	(35,453)
(Decrease)/increase in creditors		(144,193)	299,771
Net cash inflow from operating activities		<u>55,141</u>	<u>228,441</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		55,141	228,441
Returns on investments and servicing of finance	20	3,722	4,648
Taxation		(14,241)	(33,400)
Capital expenditure	20	<u>(64,862)</u> (20,240)	<u>(182,187)</u> 17,502
Equity dividends paid		<u>(32,000)</u> (52,240)	<u>(80,000)</u> (62,498)
Financing	20	(2,714)	(9,286)
Decrease in cash		<u>(54,954)</u>	<u>(71,784)</u>

Reconciliation of net cash flow to movement in net debt

Decrease in cash in the period		(54,954)	(71,784)
Decrease in debt and lease financing		2,714	9,286
New finance leases		(17,280)	-
Change in net debt	21	<u>(69,520)</u>	<u>(62,498)</u>
Net funds at 1 January		<u>333,724</u>	<u>396,222</u>
Net funds at 31 December		<u>264,204</u>	<u>333,724</u>

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Plant and machinery	over 5 years

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable fixed assets. It is amortised to profit and loss over its estimated economic life of 20 years.

Stocks

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

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company has defined pension contributions to personal schemes of certain employees. Contributions are charged to the profit and loss account as they become payable.

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

3 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	51,187	54,804
Amortisation of goodwill	4,282	4,282
Operating lease rentals - plant and machinery	4,542	2,922
Operating lease rentals - land buildings	145,587	110,193
Auditors' remuneration	9,295	10,466
	<u> </u>	<u> </u>

4 Exceptional items	2002	2001
	£	£
Loss on disposal of plant and machinery	<u>(1,720)</u>	<u>-</u>

5 Staff costs	2002	2001
	£	£
Wages and salaries	379,676	329,076
Social security costs	28,674	29,113
Pension costs	7,538	10,030
	<u>415,888</u>	<u>368,219</u>

Average number of employees during the year	Number	Number
Administration	8	7
Sales	20	18
	<u>28</u>	<u>25</u>

6 Interest payable	2002	2001
	£	£
Finance charges payable under finance leases and hire purchase contracts	<u>358</u>	<u>1,148</u>

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

7 Taxation	2002	2001
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	46,619	14,241
Deferred tax:		
Origination and reversal of timing differences	1,550	3,926
Tax on profit on ordinary activities	48,169	18,167

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2002	2001
	£	£
Profit on ordinary activities before tax	239,717	94,888
Standard rate of corporation tax in the UK	19%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	45,546	18,978
Effects of:		
Expenses not deductible for tax purposes	553	712
Capital allowances for period in excess of depreciation	520	(5,449)
Current tax charge for period	46,619	14,241

8 Equity dividends	2002	2001
	£	£
Equity dividends on ordinary shares	32,000	80,000

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

9 Intangible fixed assets

£

Goodwill:

Cost

At 1 January 2002	85,630
At 31 December 2002	<u>85,630</u>

Amortisation

At 1 January 2002	4,282
Provided during the year	<u>4,282</u>
At 31 December 2002	<u>8,564</u>

Net book value

At 31 December 2002	<u>77,066</u>
At 31 December 2001	<u>81,348</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years.

10 Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2002	54,547	371,868	426,415
Additions	13,611	68,531	82,142
Disposals	-	(13,192)	(13,192)
At 31 December 2002	<u>68,158</u>	<u>427,207</u>	<u>495,365</u>
Depreciation			
At 1 January 2002	16,068	273,659	289,727
Charge for the year	7,309	43,878	51,187
On disposals	-	(11,472)	(11,472)
At 31 December 2002	<u>23,377</u>	<u>306,065</u>	<u>329,442</u>
Net book value			
At 31 December 2002	<u>44,781</u>	<u>121,142</u>	<u>165,923</u>
At 31 December 2001	<u>38,479</u>	<u>98,209</u>	<u>136,688</u>

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

11 Stocks	2002	2001
	£	£
Raw materials and consumables	<u>732,976</u>	<u>611,119</u>
The difference between purchase price or production cost of stocks and their replacement cost is not material.		
12 Debtors	2002	2001
	£	£
Trade debtors	456,231	489,935
Other debtors	10,790	11,918
Prepayments and accrued income	<u>27,580</u>	<u>20,755</u>
	<u>494,601</u>	<u>522,608</u>
13 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	46,259	16,503
Obligations under finance lease and hire purchase contracts	5,704	-
Trade creditors	461,977	500,205
Corporation tax	46,619	14,241
Other taxes and social security costs	63,736	45,400
Other creditors	33,384	29,685
Directors' loan accounts	1,764	129,764
Other loans	<u>44,444</u>	<u>27,777</u>
	<u>703,887</u>	<u>763,575</u>
14 Creditors: amounts falling due after one year	2002	2001
	£	£
Obligations under finance lease and hire purchase contracts	8,862	-
Other loans	<u>5,556</u>	<u>22,223</u>
	<u>14,418</u>	<u>22,223</u>
15 Obligations under finance leases and hire purchase contracts	2002	2001
	£	£
Amounts payable:		
Within one year	5,704	-
Within two to five years	<u>8,862</u>	<u>-</u>
	<u>14,566</u>	<u>-</u>

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

16 Deferred taxation			2002	2001
			£	£
Accelerated capital allowances			5,476	3,926
Undiscounted provision for deferred tax			5,476	3,926
			2002	2001
			£	£
At 1 January 2002			3,926	3,926
Deferred tax charge in profit and loss account			1,550	-
At 31 December 2002			5,476	3,926
17 Share capital			2002	2001
			£	£
Authorised:				
Ordinary shares of £1 each			100	100
	2002	2001	2002	2001
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	2	2
18 Profit and loss account			2002	2001
			£	£
At 1 January 2002			912,264	915,543
Retained profit/(loss)			159,548	(3,279)
At 31 December 2002			1,071,812	912,264
19 Reconciliation of movement in shareholders' funds			2002	2001
			£	£
At 1 January 2002			912,266	915,545
Profit for the financial year			191,548	76,721
Dividends			(32,000)	(80,000)
At 31 December 2002			1,071,814	912,266

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

20 Gross cash flows	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	4,080	5,796
Interest element of finance lease rental payments	(358)	(1,148)
	<u>3,722</u>	<u>4,648</u>
Capital expenditure		
Payments to acquire intangible fixed assets	-	(85,630)
Payments to acquire tangible fixed assets	(64,862)	(96,907)
Receipts from sales of tangible fixed assets	-	350
	<u>(64,862)</u>	<u>(182,187)</u>
Financing		
Capital element of finance lease rental payments	<u>(2,714)</u>	<u>(9,286)</u>

21 Analysis of changes in net debt

	At 1 Jan 2002	Cash flows	Non-cash changes	At 31 Dec 2002
	£	£	£	£
Cash at bank and in hand	350,227	(25,198)		325,029
Overdrafts	(16,503)	(29,756)		(46,259)
		<u>(54,954)</u>		
Finance leases	-	(14,566)		(14,566)
Total	<u>333,724</u>	<u>(69,520)</u>	<u>-</u>	<u>264,204</u>

22 Major non-cash transactions

	2002
	£
Capital value of new finance lease arrangements	<u>17,280</u>

23 Pension commitments

The Company does not operate a pension scheme but has defined contribution commitments to personal pensions of certain employees. The contributions during the year amounted to £7,538 (2001 £10,030). There were no contributions outstanding at the year end (2001 £Nil)

Rabart Decorators Merchants Ltd
Notes to the Accounts
for the year ended 31 December 2002

24 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2002 £	Land and buildings 2001 £	Other 2002 £	Other 2001 £
Operating leases which expire:				
within two to five years	71,750	20,200	3,400	1,520
in over five years	20,200	20,200	-	-
	<u>91,950</u>	<u>40,400</u>	<u>3,400</u>	<u>1,520</u>

25 Transactions with directors

During the year, the Company traded with R A Bush Decorators, an unincorporated business in which Messrs A & S Bush are partners. Sales totalling £63,456 (2001 £63,843) were made to R A Bush Decorators during the year. There was a balance of £19,731 (2001 £7,158) due from R A Bush Decorators at the year end.

Services totalling £16,793 (2001 £31,836) were purchased from R A Bush during the year. At the 31st December 2002, there was a balance due to R A Bush of £62 (2001 £1,320).

The Company occupies premises which are owned by its directors, Messrs A & S Bush. Rent paid during the year was £60,856 (2001 £60,856). At the balance sheet date, there was no amounts outstanding (2001 £Nil).

26 Controlling party

The company is controlled by its directors Messrs A & S Bush.