

Smith Painters Limited
Report of the Directors and
Financial Statements For The Year Ended 31 March 2003



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CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
BUSINESS ADVISORS

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Smith Painters Limited

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For The Year Ended 31 March 2003

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Smith Painters Limited
Company Information
For The Year Ended 31 March 2003

DIRECTORS:

M J Ruddleston
Mrs S Everett
P A Smith
S J Trigg

SECRETARY:

Mrs S Everett

REGISTERED OFFICE:

Jubilee House
1 Millard Lane
Maltby
Rotherham
South Yorkshire

REGISTERED NUMBER:

2027494

AUDITORS:

Allotts
Chartered Accountants
Registered Auditors
11/13 Thorne Road
Doncaster
South Yorkshire
DN1 2HR

Smith Painters Limited
Report of the Directors
For The Year Ended 31 March 2003

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of painting contractors.

DIRECTORS

The directors during the year under review were:

M J Ruddleston
Mrs S Everett
P A Smith
S J Trigg

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

	31.3.03	1.4.02
Ordinary £1 shares		
M J Ruddleston	41	41
Mrs S Everett	21	21
P A Smith	17	17
S J Trigg	21	21

The directors are not required to retire by rotation.

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.

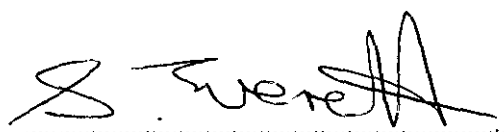
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

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

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:



Mrs S Everett - Secretary

Date: 15 December 2003

Smith Painters Limited
Profit and Loss Account
For The Year Ended 31 March 2003

		2003	2002
	Notes	£	£
TURNOVER		2,325,787	1,763,673
Cost of sales		1,793,187	1,288,622
GROSS PROFIT		532,600	475,051
Administrative expenses		379,445	297,183
OPERATING PROFIT	2	153,155	177,868
Interest receivable and similar income		17,040	15,342
		170,195	193,210
Interest payable and similar charges		1,400	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		168,795	193,210
Tax on profit on ordinary activities	3	31,728	37,769
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		137,067	155,441
Dividends	4	75,000	75,000
		62,067	80,441
Retained profit brought forward		303,417	222,976
RETAINED PROFIT CARRIED FORWARD		£365,484	£303,417

The notes form part of these financial statements

Report of the Independent Auditors to the Shareholders of
Smith Painters Limited

We have audited the financial statements of Smith Painters Limited for the year ended 31 March 2003 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 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 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 Report of the Directors is not consistent with the financial statements, 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 Report of the Directors 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Allotts
Chartered Accountants
Registered Auditors
11/13 Thorne Road
Doncaster
South Yorkshire
DN1 2HR

Date: 15 December 2003

Smith Painters Limited

Balance Sheet
31 March 2003

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		12,447		15,841
CURRENT ASSETS:					
Stocks	6	197,868		146,970	
Debtors	7	265,416		167,108	
Cash at bank and in hand		282,675		328,876	
		<u>745,959</u>		<u>642,954</u>	
CREDITORS: Amounts falling due within one year	8	<u>392,327</u>		<u>355,278</u>	
NET CURRENT ASSETS:			<u>353,632</u>		<u>287,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			366,079		303,517
PROVISIONS FOR LIABILITIES AND CHARGES:	10		495		-
			<u>£365,584</u>		<u>£303,517</u>
CAPITAL AND RESERVES:					
Called up share capital	11		100		100
Profit and loss account			<u>365,484</u>		<u>303,417</u>
SHAREHOLDERS' FUNDS:			<u>£365,584</u>		<u>£303,517</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


.....
M J Ruddleston - Director

Approved by the Board on 15 December 2003

Smith Painters Limited

Notes to the Financial Statements
For The Year Ended 31 March 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents the value of work completed and invoiced during the year net of discounts and 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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & Machinery	- 25% on cost
Fixtures & Fittings	- 33% on cost
Motor Vehicles	- 33% on cost

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after deduction of progress payments received. Cost where appropriate includes direct materials, labour and overheads. Net realisable value is the amount expected to be realised in the normal course of business after allowance for costs to completion.

Deferred tax

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension scheme

The company operates a defined contribution pension scheme for the directors, the funds of which are held by independent trustees. Contributions are charged to the profit and loss account in the year in which they are paid.

Smith Painters Limited

Notes to the Financial Statements
For The Year Ended 31 March 2003

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation - owned assets	9,294	8,580
Profit on disposal of fixed assets	(9,000)	(5,542)
Auditors' remuneration	800	800
Pension costs	14,275	14,262
	<u>118,381</u>	<u>123,984</u>
Directors' emoluments and other benefits etc	<u>118,381</u>	<u>123,984</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

3. TAXATION

Analysis of the tax charge

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

	2003	2002
	£	£
Current tax:		
UK corporation tax	31,233	37,769
Deferred Taxation	495	-
Tax on profit on ordinary activities	<u>31,728</u>	<u>37,769</u>

UK corporation tax has been charged at 19% (2002 - 20%).

4. DIVIDENDS

	2003	2002
	£	£
Ordinary - Paid	<u>75,000</u>	<u>75,000</u>

Smith Painters Limited

Notes to the Financial Statements
For The Year Ended 31 March 2003

5. TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Totals
	£	£	£	£
COST:				
At 1 April 2002	4,235	14,093	77,638	95,966
Additions	-	-	5,900	5,900
Disposals	-	-	(53,028)	(53,028)
At 31 March 2003	4,235	14,093	30,510	48,838
DEPRECIATION:				
At 1 April 2002	4,235	12,635	63,255	80,125
Charge for year	-	549	8,745	9,294
Eliminated on disposals	-	-	(53,028)	(53,028)
At 31 March 2003	4,235	13,184	18,972	36,391
NET BOOK VALUE:				
At 31 March 2003	-	909	11,538	12,447
At 31 March 2002	-	1,458	14,383	15,841

6. STOCKS

	2003 £	2002 £
Stock	4,319	7,905
Work in Progress	797,755	669,129
Less: Progress Payments	(604,206)	(530,064)
	197,868	146,970

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

	2003 £	2002 £
Trade Debtors	149,270	85,010
Other Debtors	113,547	82,098
Directors' current accounts	2,599	-
	265,416	167,108

Smith Painters Limited

Notes to the Financial Statements
For The Year Ended 31 March 2003

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

	2003	2002
	£	£
Bank loans and overdrafts	-	10,354
Trade Creditors	85,086	110,461
Other Creditors	47,018	27,915
Directors' current accounts	-	481
Other Taxes & Social Security	79,267	45,556
Payments on Account	149,723	122,742
Taxation	31,233	37,769
	<u>392,327</u>	<u>355,278</u>

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2003	2002
	£	£
Expiring:		
Within one year	1,704	-
Between one and five years	1,704	3,408
	<u>3,408</u>	<u>3,408</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred tax	495	-
	<u>495</u>	<u>-</u>

	Deferred tax £
Provision in year	495
Balance at 31 March 2003	<u>495</u>

Deferred tax provision

	2003	2002
	£	£
Short Term Timing Differences	495	-
	<u>495</u>	<u>-</u>

Deferred tax is provided at 19%.

Smith Painters Limited

Notes to the Financial Statements
For The Year Ended 31 March 2003

11. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

12. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 March 2003:

	£
M J Ruddleston	
Balance outstanding at start of year	-
Balance outstanding at end of year	1,865
Maximum balance outstanding during year	<u>4,000</u>
P A Smith	
Balance outstanding at start of year	-
Balance outstanding at end of year	734
Maximum balance outstanding during year	<u>2,500</u>

The loans are interest free and have no formal repayment terms.

During the year assets were sold to the following directors:

	Sale Proceeds
M J Ruddleston	£4,000
S J Trigg	£2,500
P A Smith	£2,500

13. RELATED PARTY DISCLOSURES

Controlling Party

The company is controlled by the directors with Mr Ruddleston having control over 41 percent of the issued share capital.

Smith Painters Limited

Trading and Profit and Loss Account
For The Year Ended 31 March 2003

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
Sales		2,325,787		1,763,673
Cost of sales:				
Opening Stock & Work in Progress	677,034		584,699	
Materials	375,480		292,125	
Contract Claim Provision	-		(50,000)	
Wages & Subcontractors	1,459,711		1,057,972	
Equipment Hire	83,036		80,860	
	<u>2,595,261</u>		<u>1,965,656</u>	
Closing Stock & Work in Progress	(802,074)		(677,034)	
		<u>1,793,187</u>		<u>1,288,622</u>
GROSS PROFIT		532,600		475,051
Other income:				
Bank Interest Received	10,440		13,330	
Other Interest Received	6,600		2,012	
		<u>17,040</u>		<u>15,342</u>
		549,640		490,393
Administration costs:				
Directors' Remuneration	100,485		90,946	
Directors NIC	10,104		10,944	
Pension Contributions	14,275		14,262	
Salaries	51,745		38,111	
Telephone	12,594		10,528	
Post, Stationery & Advertising	6,854		9,284	
Motor Expenses	80,694		57,002	
Computer Maintenance	4,711		10,324	
Repairs & Renewals	4,180		1,619	
Sundry Expenses	14,217		9,800	
Auditors Remuneration	800		800	
Legal & Professional	8,656		7,466	
		<u>309,315</u>		<u>261,086</u>
		240,325		229,307
Selling & marketing costs:				
Bad Debts		23,675		-
Carried forward		216,650		229,307

This page does not form part of the statutory financial statements

Smith Painters Limited

Trading and Profit and Loss Account
For The Year Ended 31 March 2003

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
Brought forward		216,650		229,307
Establishment costs:				
Rent & Rates	11,744		11,690	
Insurance	31,123		18,600	
Light & Heat	814		1,080	
		43,681		31,370
		172,969		197,937
Finance costs:				
Other interest	1,400		-	
Bank Charges	2,480		1,689	
		3,880		1,689
		169,089		196,248
Depreciation:				
Fixtures & Fittings	549		171	
Motor Vehicles	8,745		8,409	
		9,294		8,580
		159,795		187,668
Profit on disposal of fixed assets:				
Motor Vehicles		9,000		5,542
NET PROFIT				
		£168,795		£193,210