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MARCOTT DEVELOPMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002



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COMPANIES HOUSE

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30/09/03

CONTENTS

	Page
Directors and professional advisors	2
Directors' report	3
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	8
Additional information	14
Detailed Profit and Loss account	15
Accountants' report	16

DIRECTORS AND PROFESSIONAL ADVISORS

Directors	P Martin Esq Mrs A S Martin
Secretary	Mrs A S Martin
Accountants	TMA Chartered Accountants The Gardens House Threshersfield Hever Kent TN8 7ND
Registered Office	The Manor House Lower Green Road Pembury Kent TN2 4DZ

Registered Number 3124792

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 30 November 2002.

PRINCIPAL ACTIVITY

The principal activities of the company were that of maintenance and repair of motor vehicles and this activity continued throughout the year.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were as shown above. All served on the board throughout the year. The company's Articles of Association do not require directors to retire by rotation.

Directors Interests

The interests of the directors in the shares of the company at the beginning and end of the year were as follows:

	30 November 2002	30 November 2001
P Martin Esq		
Ordinary shares	1	1
Deferred A shares	1	1
Mrs A S Martin		
Ordinary shares	147,954	147,954
Deferred B shares	1	1

DIRECTORS' REPORT (continued)

Statement of Directors Responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year, 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 the profit or loss for the financial year. In preparing those financial statements, the directors are required to:

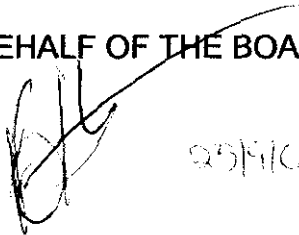
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The above 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



25/1/03

PAUL MARTIN - Director

Marcott Development Limited

Profit and Loss Account for the year ended 30 November 2002

	Notes	2002 £	2001 £
Turnover	2	202,554	279,938
Cost of sales		<u>128,726</u>	<u>145,221</u>
Gross profit		73,828	134,717
Administrative expenses		<u>87,987</u>	<u>89,685</u>
Operating (loss) / profit	3	(14,159)	45,032
Gain on sale of property		-	5,518
Bank interest received		65	252
(Loss) / Profit on ordinary activities before taxation		<u>(14,094)</u>	<u>50,802</u>
Taxation on profit on ordinary activities	4	<u>312</u>	<u>13,787</u>
(Loss) / Profit on ordinary activities after taxation		(14,406)	37,015
Dividends		<u>-</u>	<u>36,000</u>
Retained (loss)/profit for the financial period		(14,406)	1,015
Retained loss brought forward		<u>(6,468)</u>	<u>(7,483)</u>
Retained loss carried forward		<u>(20,874)</u>	<u>(6,468)</u>

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

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

Marcott Development Limited

Balance Sheet as at 30 November 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Intangible assets	5	18,402	36,804
Tangible assets	6	<u>4,102</u>	<u>10,884</u>
		22,504	47,688
CURRENT ASSETS			
Debtors	7	59,136	59,955
Bank and cash		<u>59,480</u>	<u>73,317</u>
		118,616	133,272
CREDITORS: amounts falling Due within one year	8	14,037	37,059
NET CURRENT ASSETS		<u>104,579</u>	<u>96,213</u>
NET ASSETS LESS CURRENT LIABILITIES		<u>127,083</u>	<u>143,901</u>
CREDITORS: amounts falling Due after one year	9	-	2,412
		<u>127,083</u>	<u>141,489</u>
CAPITAL AND RESERVES			
Called up share capital	10	147,957	147,957
Profit and loss account		<u>(20,874)</u>	<u>(6,468)</u>
		<u>127,083</u>	<u>141,489</u>

Balance Sheet continued overleaf

Balance Sheet as at 30 November 2002 (continued)

The directors are satisfied that the company is entitled to the exemption under section 249A(1) of the Companies Act 1985 and that no members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps proper 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 and loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

These accounts were approved by the board on 25/11/03 and signed on its behalf by



PAUL MARTIN - Director



ANITA MARTIN - Director

Notes to the Accounts

1 Principle Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of accounting

All items are stated in the accounts under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic lives of the assets concerned, using the following rates:

Fixtures and fittings	25% reducing balance basis
Computers	50% reducing balance basis
Motor vehicles	25% reducing balance basis

Intangible Fixed Assets

The franchises are written off through the profit and loss account on a straight line basis over the remaining period of the agreement from the commencement of each franchise. As the directors have decided to terminate the franchise agreements in the next financial year, the remaining net book value of the franchise agreements are being written off over the remaining two financial years.

2 Turnover

Turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2002	2001
	£	£
Directors' emoluments	14,725	11,743
Depreciation of fixed assets	8,785	11,341
Amortisation of franchises	18,402	4,017
Accountants' remuneration	2,252	2,226
	<u> </u>	<u> </u>

4 Taxation on ordinary activities

	2002	2001
	£	£
Current year - Corporation tax	312	13,787
	<u>312</u>	<u>13,787</u>

5 Intangible fixed assets

Remaining life of agreement	Franchise 15 years £	Franchise 11 years £	Total £
Cost			
At 1 December 2001	20,000	29,522	49,522
Additions	-	-	-
At 30 November 2002	20,000	29,522	49,522
Amortisation			
At 1 December 2001	4,666	8,052	12,718
Charge for the year	7,667	10,735	18,402
At 30 November 2002	12,333	18,787	31,120
Net Book Value			
At 30 November 2002	7,667	10,735	18,402
At 30 November 2001	15,334	21,470	36,804

The remaining net book value of the purchased franchises "Chipsaway" are being written of over this financial year and the next financial year as it is planned to discontinue the franchise during the next financial year.

6 Tangible fixed assets

	Fixtures & Fittings £	Computers £	Motor Vehicles £	Total £
Cost at 1 December 2001	8,435	5,229	28,710	42,374
Additions	-	316	1,687	2,003
Disposals	-	-	-	-
Cost at 30 November 2002	8,435	5,545	30,397	44,377
Depreciation at 1 December 2001	7,896	4,741	18,853	31,490
Charge for year	539	646	7,600	8,785
Depreciation at 30 November 2002	8,435	5,387	26,453	40,275
NBV at 30 November 2002	-	158	3,944	4,102
NBV at 30 November 2001	539	488	9,857	10,884

The net book value of Motor Vehicles includes £2,679 (2001 - £8,106) in respect of assets held under hire purchase agreements. The amount of depreciation in respect of such assets amounted to £5,427 for the year (2001 - £5,427).

7 Debtors

	2002 £	2001 £
Trade debtors	31,569	41,955
Other debtors	27,567	18,000
	<u>59,136</u>	<u>59,955</u>

8 Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	1,891	7,137
Corporation tax payable	312	13,787
Social security and other taxes	7,873	9,289
Accruals and deferred income	1,550	1,300
Hire Purchase Creditor	2,411	5,546
	<u>14,037</u>	<u>37,059</u>

The Hire Purchase Creditor, secured on Motor Vehicles as shown in the fixed asset note 6, is repayable in 9 monthly installments until the agreement terminates in August 2003 (2001 - repayable in 12 monthly installments).

9 Creditors: amounts falling due after one year

	2002	2001
	£	£
HP Creditor	-	2,412
	<u>-</u>	<u>2,412</u>

The Hire Purchase Creditor for 2001, secured on Motor Vehicles as shown in the fixed asset note 6, is repayable in 9 monthly installments until the agreement terminates in August 2003.

10 Share Capital

	2002	2001
	£	£
Authorised		
199,900 ordinary shares of £1 each	199,900	199,900
50 Deferred A shares of £1 each	50	50
50 Deferred B shares of £1 each	50	50
	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
147,955 ordinary shares of £1 each	147,955	147,955
1 Deferred A shares of £1 each	1	1
1 Deferred B shares of £1 each	1	1
	<u>147,957</u>	<u>147,957</u>

11 Related Party Transactions

Directors Loans

During the year the director(s) mentioned below had overdrawn balances with the company as follows:

	2002 £
Paul Martin Esq	
Balance outstanding at 1 December 2001	9,000
Maximum balance outstanding during the year	47,674
Balance outstanding at 30 November 2002	16,275
Mrs A S Martin	
Balance outstanding at 1 December 2001	9,000
Maximum balance outstanding during the year	42,492
Balance outstanding at 30 November 2002	11,292

The opening overdrawn balances shown above were repaid as follows:

£10,000 was repaid on 30th July 2002.

£8,000 was repaid on the 30th August 2002.

The closing overdrawn balances were repaid by 31st August 2003.

Controlling party

Anita Martin, a director, together with her husband Paul Martin, controls the company by virtue of a controlling interest of 100% of the issued ordinary share capital.

The additional information on page 15 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the accountants' report thereon.

Detailed Profit and Loss Account for the year ended 30 November 2002

	2002 £	2001 £
Turnover	202,554	279,938
Cost of Sales		
Direct Labour	108,991	121,590
Materials	19,735	23,631
	128,726	145,221
Gross Profit	73,828	134,717
Administrative expenses		
Insurance and taxes	4,220	3,454
Directors' remuneration	14,725	11,743
Staff wages	1,061	2,720
Staff entertainment	-	244
Telephone and internet	1,886	1,910
Postage and stationery	495	1,248
Repairs and renewals	326	1,011
Motor expenses	21,763	23,849
Travel expenses	4,157	4,539
Entertainment	1,406	1,035
Legal fees	1,223	551
Accountancy fees	2,252	2,226
Management fee	3,691	4,053
Training	490	1,607
Advertising	1,706	2,471
Subscriptions and donations	130	243
Sundry expenses	15	238
Bad debts and write-offs	-	(1,106)
Write off of directors loans	-	10,800
Bank & finance charges & interest	1,254	1,491
Amortisation of franchises	18,402	4,017
Depreciation of fixtures and fittings	8,785	11,341
	87,987	89,685
Total administrative expenses		
	14,159	45,032
Net operating profit		

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF
MARCOTT DEVELOPMENT LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 November 2002, set out on pages 5 to 13, and you consider that the company is exempt from audit and report under section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have prepared these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records, and information and explanations supplied to us.



TMA
Chartered Accountants