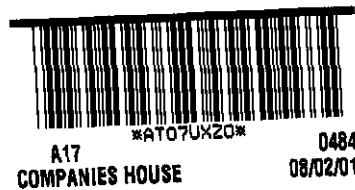


Company Registration No. 3749821 (England and Wales)

MCE DECORATORS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2000



MCE DECORATORS LIMITED

COMPANY INFORMATION

Director	M.J. Dodds
Secretary	B Dodds
Company number	3749821
Registered office	119 West Bar Sheffield South Yorkshire S3 8PT
Accountants	Gardiner & Co 38 Rowan Tree Road Killamarsh Sheffield S21 1GP
Business address	119 West Bar Sheffield South Yorkshire S3 8PT
Bankers	National Westminster Bank Plc 197 Main Road Darnall Sheffield

MCE DECORATORS LIMITED

CONTENTS

	Page
Director's report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 10

MCE DECORATORS LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 30 JUNE 2000

The director presents his report and financial statements for the period ended 30 June 2000.

Principal activities

The principal activity of the company continued to be that of building contractors.

Director

The following director has held office since 9 April 1999:

M.J. Dodds

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary shares of £1 each	
	30 June 2000	9 April 1999
M.J. Dodds	100	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

M. Dodds.

31. 8 00

MCE DECORATORS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED ACCOUNTS OF MCE DECORATORS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 30 June 2000, set out on pages 3 to 10 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. 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.

Gardiner & Co

Gardiner & Co.
.....

Reporting Accountants

38 Rowan Tree Road
Killamarsh
Sheffield
S21 1GP

MCE DECORATORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2000

		Period ended 30 June 2000 £
	Notes	
Turnover		161,320
Cost of sales		(125,830)
Gross profit		35,490
Administrative expenses		(11,884)
Operating profit	2	23,606
Interest payable and similar charges	3	(1,127)
Profit on ordinary activities before taxation		22,479
Tax on profit on ordinary activities	4	(4,351)
Profit on ordinary activities after taxation	11	18,128

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.

MCE DECORATORS LIMITED

BALANCE SHEET AS AT 30 JUNE 2000

	Notes	2000 £	£
Fixed assets			
Intangible assets	5		5,100
Tangible assets	6		4,538
			9,638
Current assets			
Stocks		1,750	
Debtors	7	50,046	
Cash at bank and in hand		10,037	
		61,833	
Creditors: amounts falling due within one year	8	(53,243)	
Net current assets			8,590
Total assets less current liabilities			18,228
			18,228
Capital and reserves			
Called up share capital	10		100
Profit and loss account	11		18,128
Shareholders' funds - equity interests	12		18,228

MCE DECORATORS LIMITED

BALANCE SHEET AS AT 30 JUNE 2000

In preparing these financial statements:

- (a) The director is 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 director acknowledges his 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 31.8.00

M. Dodds.

M.J. Dodds
Director

MCE DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% - reducing balance
Motor vehicles	25% - reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Stock and work in progress

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

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

2000

£

Operating profit is stated after charging:

Amortisation of intangible assets	1,700
Depreciation of tangible assets	412
Operating lease rentals	
- Other assets	1,680

MCE DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2000

3	Interest payable	2000
		£
	Hire purchase interest	385
4	Taxation	2000
		£
	U.K. current year taxation	
	U.K. corporation tax at 20%	4,351
	Prior years	
		4,351
5	Intangible fixed assets	
		Goodwill
		£
	Cost	
	At 9 April 1999 & at 30 June 2000	6,800
	Amortisation	
	At 9 April 1999	-
	Charge for period	1,700
	At 30 June 2000	1,700
	Net book value	
	At 30 June 2000	5,100

MCE DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2000

6 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 9 April 1999 & at 30 June 2000	4,950
Depreciation	
At 9 April 1999	-
Charge for the period	412
At 30 June 2000	412
Net book value	
At 30 June 2000	4,538
At 30 June 1999	21,955

Included above are assets held under finance leases or hire purchase contracts as follows:

Net book values
At 30 June 2000

Depreciation charge for the period
30 June 2000

7 Debtors

	2000 £
Trade debtors	50,046
	50,046

MCE DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2000

8	Creditors: amounts falling due within one year	2000
		£
	Bank loans and overdrafts	18,814
	Trade creditors	4,562
	Taxation and social security	27,927
	Other creditors	1,940
		<u>53,243</u>
9	Creditors: amounts falling due after more than one year	2000
		£
		<u></u>
	Net obligations under finance leases and hire purchase contracts	<u></u>
		<u></u>
10	Share capital	2000
		£
	Authorised	
	100 Ordinary shares of £1 each	100
		<u></u>
	Allotted, called up and fully paid	
	100 Ordinary shares of £1 each	100
		<u></u>
11	Statement of movements on profit and loss account	
		Profit and loss account
		£
	Retained profit for the period	18,128
		<u></u>

MCE DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2000

12 Reconciliation of movements in shareholders' funds	2000
	£
Profit for the financial period	18,128
Proceeds from issue of shares	100
Net addition to shareholders' funds	18,228
Opening shareholders' funds	60,357
Closing shareholders' funds	18,228

13 Financial commitments

At 30 June 2000 the company had annual commitments under non-cancellable operating leases as follows:

Expiry date:

MCE DECORATORS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2000

	Period ended 30 June 2000	
	£	£
Turnover		
Sales class 1 - UK		161,320
Cost of sales		
Opening stock of finished goods	850	
Purchases	23,014	
Wages and salaries (excl. N.I.)	9,303	
Employer's N.I. contributions	799	
Subcontract labour	93,614	
Hire of plant and machinery	-	
	127,580	
Closing stock of finished goods	(1,750)	
		(125,830)
Gross profit	22.00%	35,490
Administrative expenses		(11,884)
Operating profit		23,606
Interest payable		
Bank interest paid	742	
Hire purchase interest paid	385	
		(1,127)
Profit before taxation	13.93%	<u>22,479</u>

MCE DECORATORS LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE PERIOD ENDED 30 JUNE 2000

	Period ended 30 June 2000 £
Administrative expenses	
Rent re licences and other	1,172
Insurance	701
Repairs and maintenance	-
Printing, postage and stationery	932
Telephone	842
Hire of equipment	948
Motor vehicle leasing	732
Motor running expenses	2,139
Legal and prof fees - allowable	154
Accountancy	790
Bank charges	786
Credit card charges	56
Sundry expenses - allowable	520
Subscriptions - allowable	-
Depreciation on intangible assets	1,700
Depreciation on FF & E	204
Depreciation on motor vehicles	208
	11,884