Company Registration No. 3749821 (England and Wales)

M.C.E. DECORATORS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001



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COMPANIES HOUSE 14/02/03

M.C.E. DECORATORS LIMITED

COMPANY INFORMATION

Directors	M Dodds B Dodds (Appointed 1 July 2000)
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

M.C.E. DECORATORS LIMITED

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M.C.E. DECORATORS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2001

The directors present their report and financial statements for the year ended 30 June 2001.

Principal activities
The principal activity of the company continued to be that of Painters and Decorators.

Directors
The following directors have held office since 1 July 2000:

M Dodds
B Dodds (Appointed 1 July 2000)

Directors' interests
The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	30 June 2001	**1 July 2000**
M Dodds	50	100
B Dodds	50	-

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

B Dodds
Director
31 August 2001

M.C.E. DECORATORS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF M.C.E. DECORATORS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2001, set out on pages 3 to 8 and you consider that the company is exempt from an audit. 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

31 August 2001

38 Rowan Tree Road
Killamarsh
Sheffield
S21 1GP

M.C.E. DECORATORS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 £	2000 £
Turnover		823,215	161,320
Cost of sales		(701,447)	(125,830)
Gross profit		121,768	35,490
Administrative expenses		(79,546)	(11,884)
Operating profit	2	42,222	23,606
Interest payable and similar charges	3	(320)	(1,127)
Profit on ordinary activities before taxation		41,902	22,479
Tax on profit on ordinary activities	4	(7,299)	(4,351)
Profit on ordinary activities after taxation		34,603	18,128
Dividends		(28,000)	-
Retained profit for the year	11	6,603	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.

M.C.E. DECORATORS LIMITED

BALANCE SHEET
AS AT 30 JUNE 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Intangible assets	5		3,400		5,100
Tangible assets	6		8,101		4,538
			11,501		9,638
Current assets					
Stocks		76,159		51,796	
Debtors	7	1,000		-	
Cash at bank and in hand		30,024		10,037	
		107,183		61,833	
Creditors: amounts falling due within one year	8	(93,853)		(53,243)	
Net current assets			13,330		8,590
Total assets less current liabilities			24,831		18,228
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		24,731		18,128
Shareholders' funds - equity interests	12		24,831		18,228

In preparing these financial statements:

(a) The directors are 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 directors acknowledge their 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 August 2001

M Dodds
Director

M.C.E. DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

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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 and work in progress are valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 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 directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	1,700	1,700
Depreciation of tangible assets	2,701	412
Operating lease rentals		
- Plant and machinery	8,015	-
- Other assets	2,575	1,680
Directors' emoluments	25,694	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2001

3 Interest payable	2001 £	2000 £
Hire purchase interest	-	385

4 Taxation	2001 £	2000 £
U.K. current year taxation		
U.K. corporation tax at 20% (2000 - 20%)	7,299	4,351

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2000 & at 30 June 2001	6,800
Amortisation	
At 1 July 2000	1,700
Charge for year	1,700
At 30 June 2001	3,400
Net book value	
At 30 June 2001	3,400
At 30 June 2000	5,100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2001

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2000	4,950
Additions	6,264
At 30 June 2001	11,214
Depreciation	
At 1 July 2000	412
Charge for the year	2,701
At 30 June 2001	3,113
Net book value	
At 30 June 2001	8,101
At 30 June 2000	4,538

7 Debtors

	2001	2000
	£	£
Other debtors	1,000	-

8 Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	37,915	18,814
Trade creditors	25,735	4,562
Taxation and social security	29,628	27,927
Other creditors	575	1,940
	93,853	53,243

9 Pension costs

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. The pension cost charge represents contributions payable by the company to the fund and amounted to £2294 (2000 - £0).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2001

10 Share capital

	2001	2000
	£	£
Authorised		
100 Ordinary Shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £ 1 each	100	100

11 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 July 2000	18,128
Retained profit for the year	6,603
Balance at 30 June 2001	24,731

12 Reconciliation of movements in shareholders' funds

	2001	2000
	£	£
Profit for the financial year	34,603	18,128
Dividends	(28,000)	-
	6,603	18,128
Proceeds from issue of shares	-	100
Net addition to shareholders' funds	6,603	18,228
Opening shareholders' funds	18,228	-
Closing shareholders' funds	24,831	18,228

13 Financial commitments

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:

Expiry date:	

M.C.E. DECORATORS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2001

		2001		2000
	£	£	£	£
Turnover				
Sales class 1 - UK		823,215		161,320
Cost of sales				
Opening stock of raw materials	1,750		850	
Purchases	171,741		23,014	
Wages and salaries (excl. N.I.)	24,000		9,303	
Employer's N.I. contributions	1,199		799	
Subcontract labour	496,442		93,614	
Hire of plant and machinery	8,015		-	
	703,147		127,580	
Closing stock of raw materials	(1,700)		(1,750)	
		(701,447)		(125,830)
Gross profit	14.79%	121,768	22.00%	35,490
Administrative expenses		(79,546)		(11,884)
Operating profit		42,222		23,606
Interest payable				
Bank interest paid	320		742	
Hire purchase interest paid	-		385	
		(320)		(1,127)
Profit before taxation	5.09%	41,902	13.93%	22,479

M.C.E. DECORATORS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 30 JUNE 2001

	2001 £	2000 £
Administrative expenses		
Wages and salaries (excl. N.I.)	6,930	-
Directors' remuneration	23,400	-
Employer's N.I. contributions	3,664	-
Directors' pension costs	2,294	-
Rent re licences and other	4,416	1,172
Insurance	4,385	701
Cleaning	887	-
Repairs and maintenance	763	-
Printing, postage and stationery	2,236	932
Telephone	4,298	842
Hire of equipment	-	948
Motor vehicle leasing	2,575	732
Motor running expenses	12,600	2,139
Legal and prof fees - allowable	750	154
Accountancy	2,330	790
Bank charges	1,680	786
Credit card charges	-	56
Staff welfare	290	-
Sundry expenses - allowable	796	520
Subscriptions - allowable	851	-
Depreciation on intangible assets	1,700	1,700
Depreciation on FF & E	562	204
Depreciation on motor vehicles	2,139	208
	79,546	11,884