

5
Company Registration No. 3749821 (England and Wales)

M.C.E. DECORATORS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002



A20
COMPANIES HOUSE

A87GNIGAN

0785
14/02/03

M.C.E. DECORATORS LIMITED

COMPANY INFORMATION

Directors	M Dodds B Dodds
Secretary	B Dodds
Company number	3749821
Registered office	119 West Bar Sheffield South Yorkshire S3 8PT
Auditors	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

CONTENTS

	Page
Directors' report	1
Auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 8

M.C.E. DECORATORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2002

The directors present their report and financial statements for the year ended 30 June 2002.

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 2001:

M Dodds

B Dodds

Directors' interests

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

	Ordinary Shares of £ 1 each	
	30 June 2002	1 July 2001
M Dodds	50	50
B Dodds	50	50

Auditors

Directors' responsibilities

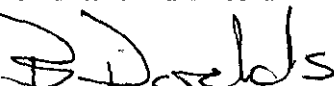
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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. 8. 02

M.C.E. DECORATORS LIMITED

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

We report on the accounts for the year ended 30 June 2002 set out on pages 3 to 8.

Respective responsibilities of directors and reporting accountants

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Gardiner & Co

Gardiner + Co

31.8.02

38 Rowan Tree Road
Killamarsh
Sheffield
S21 1GP

M.C.E. DECORATORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

	Notes	ended 30 June 2002 £	30 June 2001 £
Turnover		858,233	823,215
Cost of sales		(750,432)	(701,447)
Gross profit		107,801	121,768
Administrative expenses		(111,312)	(79,546)
Operating (loss)/profit	2	(3,511)	42,222
Other interest receivable and similar income		276	-
Interest payable and similar charges		(1,782)	(320)
(Loss)/profit on ordinary activities before taxation		(5,017)	41,902
Tax on (loss)/profit on ordinary activities	3	-	(7,299)
(Loss)/profit on ordinary activities after taxation		(5,017)	34,603
Dividends		(17,000)	(28,000)
Retained (loss)/profit for the year	10	(22,017)	6,603

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.

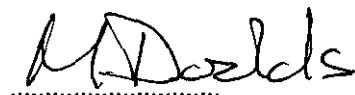
M.C.E. DECORATORS LIMITED

BALANCE SHEET AS AT 30 JUNE 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Intangible assets	4		3,400		3,400
Tangible assets	5		1,263		8,101
			<u>4,663</u>		<u>11,501</u>
Current assets					
Stocks		124,449		76,159	
Debtors	6	-		1,000	
Cash at bank and in hand		-		30,024	
		<u>124,449</u>		<u>107,183</u>	
Creditors: amounts falling due within one year	7	<u>(126,297)</u>		<u>(93,853)</u>	
Net current (liabilities)/assets			<u>(1,848)</u>		<u>13,330</u>
Total assets less current liabilities			<u>2,815</u>		<u>24,831</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		2,715		24,731
Shareholders' funds - equity interests	11		<u>2,815</u>		<u>24,831</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.

The financial statements were approved by the Board on 31 August 2002



M Dodds
Director

M.C.E. DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

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

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 (loss)/profit	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Amortisation of intangible assets	-	1,700
Depreciation of tangible assets	421	2,701
Operating lease rentals		
- Plant and machinery	8,400	8,015
- Other assets	10,596	2,575
Directors' emoluments	41,062	25,694
	<u> </u>	<u> </u>
3 Taxation	2002	2001
	£	£
U.K. current year taxation		
U.K. corporation tax at 0% (2001 - 20%)	-	7,299
	<u> </u>	<u> </u>

M.C.E. DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2001 & at 30 June 2002	6,800
Amortisation	
At 1 July 2001 & at 30 June 2002	3,400
Net book value	
At 30 June 2002	3,400
At 30 June 2001	3,400

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 2001	11,214
Disposals	(8,764)
At 30 June 2002	2,450
Depreciation	
At 1 July 2001	3,113
On disposals	(2,347)
Charge for the year	421
At 30 June 2002	1,187
Net book value	
At 30 June 2002	1,263
At 30 June 2001	8,101

6 Debtors

	2002 £	2001 £
Other debtors	-	1,000

M.C.E. DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

7 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	63,573	37,915
Trade creditors	25,601	25,735
Taxation and social security	36,544	29,628
Other creditors	579	575
	<u>126,297</u>	<u>93,853</u>

8 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 (2001 - £0).

9 Share capital	2002	2001
	£	£
Authorised		
100 Ordinary Shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary Shares of £ 1 each	<u>100</u>	<u>100</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2001	24,732
Retained loss for the year	(22,017)
Balance at 30 June 2002	<u>2,715</u>

11 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
(Loss)/profit for the financial year	(5,017)	34,603
Dividends	(17,000)	(28,000)
Net (depletion in)/addition to shareholders' funds	<u>(22,017)</u>	<u>6,603</u>
Opening shareholders' funds	24,831	18,228
Closing shareholders' funds	<u>2,815</u>	<u>24,831</u>

M.C.E. DECORATORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

12 Financial commitments

At 30 June 2002 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 2002

		ended 30 June 2002		30 June 2001
	£	£	£	£
Turnover				
Sales class 1 - UK		858,233		823,215
Cost of sales				
Opening stock of raw materials	1,700		1,750	
Purchases	170,246		171,741	
Wages and salaries (excl. N.I.)	30,000		24,000	
Employer's N.I. contributions	3,621		1,199	
Subcontract labour	538,025		496,442	
Hire of plant and machinery	8,400		8,015	
	751,992		703,147	
Closing stock of raw materials	(1,560)		(1,700)	
		(750,432)		(701,447)
Gross profit	12.56%	107,801	14.79%	121,768
Administrative expenses		(111,312)		(79,546)
Operating (loss)/profit		(3,511)		42,222
Other interest receivable and similar income				
Bank interest received		276		-
Interest payable				
Bank interest paid		(1,782)		(320)
(Loss)/profit before taxation	0.58%	(5,017)	5.09%	41,902

M.C.E. DECORATORS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 JUNE 2002

	ended 30 June 2002 £	30 June 2001 £
Administrative expenses		
Wages and salaries (excl. N.I.)	12,480	6,930
Directors' remuneration	38,765	23,400
Employer's N.I. contributions	4,062	3,664
Directors' pension costs	2,297	2,294
Rent re licences and other	4,554	4,416
Insurance	5,588	4,385
Cleaning	432	887
Repairs and maintenance	575	763
Printing, postage and stationery	2,241	2,236
Advertising	630	-
Telephone	4,938	4,298
Motor vehicle leasing	10,596	2,575
Motor running expenses	13,423	12,600
Entertaining - allowable	593	-
Legal and prof fees - allowable	347	750
Accountancy	3,270	2,330
Bank charges	2,156	1,680
Credit card charges	338	-
Staff welfare	349	290
Sundry expenses - allowable	355	796
Subscriptions - allowable	985	851
Depreciation on intangible assets	-	1,700
Depreciation on FF & E	421	562
Depreciation on motor vehicles	-	2,139
Profits/losses on disp of tangibles	1,917	-
	<u>111,312</u>	<u>79,546</u>