COMPANY'S REGISTRATION Nº.
SC 79108

GRAHAM D MENZIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report with the financial statements of the company for the year ended 30 June 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision and maintenance of floral decoration in business premises.

DIRECTORS

The Directors of the company in office during the year and their beneficial interests in the issued share capital at 30 June 2001 and at 30 June 2002 were as follows:

	Shares of £1 each
Mr G D Menzies	25,333
Mr I A Sanderson	13,818

In preparing this report, the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

DIRECTOR

DATE: 28/04/03

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GRAHAM D MENZIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

2001			NOTES
£		£	
55,820	Turnover	39,607	2
10,805	Cost of sales	4,229	
45,015	GROSS PROFIT	35,378	
50,316	Distribution costs and administrative expenses	42,535	3
(5,301)	OPERATING LOSS	(7,157)	4
-	Interest receivable	15	
(5,301)		(7,142)	
2	Interest payable and similar charges	1	6
(5,303)	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(7,143)	
-	Taxation	-	7
(5,303)	LOSS FOR THE FINANCIAL YEAR	(7,143)	
(109,081)	Loss brought forward	(114,384)	
(114,384)	LOSS CARRIED FORWARD	(121,527)	

CONTINUING OPERATIONS: none of the company's activities was acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES: the company has no recognised gains or losses other than the losses for the current and previous years.

GRAHAM D MENZIES LIMITED

BALANCE SHEET AS AT 30 JUNE 2002

2001				NOTES
£			£	
	FIXED ASSETS			
17,464	Tangible assets		12,288	8
	CURRENT ASSETS			
11,060	Debtors	7,761		9
733	Cash at bank and in hand	703		
11,793		8,464		
	CREDITORS - amounts falling due			
97,581	within one year	96,219		10
(85,788)	NET CURRENT LIABILITIES		(87,755)	
(68,324)	TOTAL ASSETS LESS CURRENT LIABILITIES		(75,467)	
	CAPITAL AND RESERVES			
46,060	Called up share capital	46,060		11
(114,384)	Profit and loss account	(121,527)		
(68,324)			(75,467)	12

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2002.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The Directors acknowledge their responsibilities for:
a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

In preparing these financial statements, the Directors have taken advantage of 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 Enterprises.

APPROVED BY THE BOARD:

DIRECTOR

DATE: 28/04/03

GRAHAM D MENZIES LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

1. ACCCOUNTING POLICIES

a. ACCOUNTING CONVENTION
The Accounts are prepared under the historical cost convention.

b. TURNOVER
Turnover represents the aggregate, excluding Value Added Tax, of amounts receivable in the ordinary course of business for goods supplied and services rendered.

c. DEPRECIATION
Depreciation is charged on the original cost of tangible fixed assets so as to write off the cost of the various assets over a period of their expected useful life; the rates and bases are;

Buildings	20% p.a. straight line
Plant and equipment (except motor vehicles)	20% p.a. straight line
Motor vehicles	25% p.a. reducing balance

d. DEFERRED TAXATION
Provision is not made for taxation deferred by accelerated tax allowances on capital expenditure as it is anticipated that the tax liabilities will not crystallise in the foreseeable future.

e. REPAIRS AND RENEWALS
Repairs and renewals costs are charged to the Profit and Loss account in the year in which the expenditure is incurred.

f. CASH FLOW STATEMENT
The company has taken advantage of the exemption available under Financial Reporting Standard 1 for small companies not to prepare a cash flow statement.

2. TURNOVER
Turnover arose wholly from within the United Kingdom.

3. DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES /

2001			
£			£
	3.	DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES	
41,574		Distribution costs	38,031
8,742		Administrative expenses	4,504
50,316			42,535
	4.	OPERATING LOSS	
		This is stated - after charging:	
13,920		Directors' emoluments	13,520
-		Auditors' remuneration - auditing services	-
6,819		Depreciation - owned assets (note 5)	5,176
	5.	DEPRECIATION	
6,243		Sums written off fixed assets (note 8)	5,176
576		Adjustments on disposals	-
6,819		Charged to Profit and Loss Account for the year	5,176
	6.	INTEREST PAYABLE AND SIMILAR CHARGES	
2		Interest payable on bank overdraft	1

7. TAXATION

A tax loss arising for the current year added to brought forward losses provides a total of £113,524 available for set off against future relevant profits.

8. FIXED TANGIBLE ASSETS /

2001

8. FIXED TANGIBLE ASSETS

	Buildings	Plant, Machinery and Equipment	Total
	£	£	£
COST:			
Balances at 30 June 2001	9,542	21,659	31,201
Additions	-	-	-
Disposals	(-)	(-)	(-)
Balances at 30 June 2002	9,542	21,659	31,201
DEPRECIATION:			
Balances at 30 June 2001	4,984	8,753	13,737
Charge for year	1,909	3,267	5,176
Eliminated on disposals	(-)	(-)	(-)
Balances at 30 June 2002	6,893	12,020	18,913
NET BOOK VALUES:			
at 30 June 2002	2,649	9,639	12,288
as at 30 June 2001	4,558	12,906	17,464

£		£
	9. DEBTORS	
10,558	Trade debtors	7,449
-	Other debtors	-
502	Prepayments	312
11,060		7,761

	10. CREDITORS	
	Amounts falling due within one year:	
629	Trade creditors	-
1,579	Other taxes and social security	1,177
93,542	Directors' current accounts	93,978
1,831	Accruals	1,064
97,581		96,219

11. SHARE CAPITAL /

2001 £		£
	11. SHARE CAPITAL	
	AUTHORISED	
50,000	50,000 shares of £1 each	50,000
	ALLOTTED, ISSUED AND FULLY PAID	
46,060	46,060 shares of £1 each	46,060
	12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	
(5,303)	Loss for the financial year	(7,143)
-	Dividends and other recognised gains or losses	-
(5,303)	Net reduction in shareholders' funds	(7,143)
(63,021)	Shareholders' deficit at 1 July 2001	(68,324)
(68,324)	Shareholders' deficit at 30 June 2002	(75,467)