

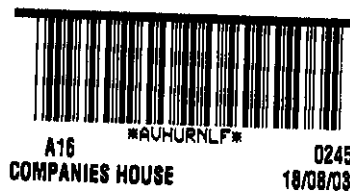
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**FOURWAY MANAGEMENT LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST OCTOBER 2002**



# FOURWAY MANAGEMENT LIMITED

## COMPANY INFORMATION

Directors	T.P.Evans C.R.Evans C.P.Drake
Secretary	T.P.Evans
Company Registration Number	1624528
Registered Office	Charley Wood Road, Knowsley Industrial Park North, Knowsley, Merseyside, L33 7SG.

# FOURWAY MANAGEMENT LIMITED

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# FOURWAY MANAGEMENT LIMITED

## Directors'

The directors present their report to the members, together with the annual accounts for the year ended 31st October 2002.

## Principal Activity

The principal activity of the company which is unchanged since last year is industrial cleaning.

During the course of the year the company operated at a satisfactory level.

The results for the year are shown on page 4. In the coming year the company intends to improve on existing trading levels, market share, consolidate financial performance and further enhance liquidity.

## Directors

The directors of the company and their interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

	31st October	
	2002	2001
T.P.Evans	1	1
C.R.Evans	1	1
C.P.Drake	Nil	Nil

T.P.Evans and C.R.Evans have a joint beneficial holding of 9,998 shares.

## Directors' Responsibility For The Financial Statements

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 apply them consistently  
make judgements and estimates that are reasonable and prudent  
prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate

# **FOURWAY MANAGEMENT LIMITED**

## **Directors' Report-Continued**

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.

### **Fixed Assets**

Details of fixed assets of the company are shown on page 9. In the opinion of the directors the open market value of the company's land and buildings is approximately the same as net book value.


### **Dividends**

The directors do not recommend an interim dividend (2001 £ 27,500) on the ordinary shares, which leaves a profit of £ 8,316 to be added to retained profits.

### **Auditors**

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

Approved by the board of directors on 15th April 2003  
and signed on their behalf by:



T.P. Evans

# **FOURWAY MANAGEMENT LIMITED**

## **Independent Auditors' Report To The Shareholders Of Fourway Management Limited**

We have audited the financial statements of Fourway Management Limited for the year ended 31st October 2002 such as the Profit And Loss Account, the Balance Sheet, and the related notes.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for preparing the financial statements in accordance with applicable law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regularity requirements and United Kingdom Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Companies Act 1985. We also report to you, if in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

# FOURWAY MANAGEMENT LIMITED

## Independent Auditors' Report To The Shareholders Of Fourway Management Limited

In forming our opinion we also evaluated the overall adequacy of the presentation in the financial statements.

### Opinion

In our opinion, the financial statements give a true and fair view of the state of company's affairs as at 31st October 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Peers Smith*

Peers And Smith,  
Chartered Accountant and  
Registered Auditor,  
Mast House,  
Derby Road,  
Bootle,  
Merseyside,  
L20 1EA.

15th April 2003

# FOURWAY MANAGEMENT LIMITED

## Profit And Loss Account For The Year Ended 31st October 2002

	NOTES	2002	2001
Turnover	1	890,855	998,328
Cost of sales	3	453,649	479,386
		-----	-----
Gross Profit		437,206	518,492
Administration expenses	3	401,683	467,984
		-----	-----
Operating Profit		35,523	50,508
Grants released		5,126	5,126
Interest received		-	(3)
		-----	-----
		40,649	55,637
Finance costs	6	32,333	31,008
		-----	-----
Profit On Ordinary Activities Before Taxation		8,316	26,629
Tax on profit on ordinary activities	7	-	7,555
		-----	-----
Profit For The Financial Year On Ordinary Activities After Taxation		8,316	17,074
Dividends on ordinary shares	8	-	27,500
		-----	-----
Retained Profit(2001 Deficit) Transferred To Reserves	18    £	8,316	(10,426)
		=====	=====

There were no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding period.

The notes on pages 7 to 15 form an integral part of these accounts.

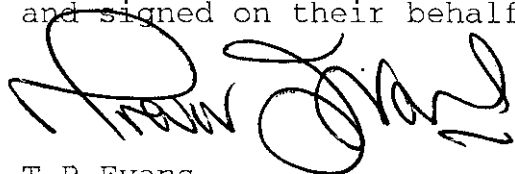


# FOURWAY MANAGEMENT LIMITED

## Balance Sheet As At 31st October 2002

	NOTES	2002	2001
Fixed Assets			
Tangible fixed assets	9	387,497	427,986
Current Assets			
Stocks	10	4,794	4,128
Debtors	11	122,724	114,581
		-----	-----
		127,518	118,709
Creditors:Amounts falling due within one year	12	211,781	244,361
		-----	-----
Net Current Liabilities		(84,263)	(125,652)
Total Assets Less Current Liabilities		303,234	302,334
Creditors:Amounts falling due after more than one year	13	140,336	142,626
Provisions For Liabilities And Charges			
Deferred taxation	15	5,047	5,047
		-----	-----
	£	157,851	154,661
		=====	=====
Capital And Reserves			
Called up share capital	17	10,000	10,000
Grants received	18	18,417	23,543
Revaluation reserve	18	67,395	67,395
Profit and loss account	18	62,039	53,723
		-----	-----
Shareholders' Funds	16 £	157,851	154,661
		=====	=====

Approved by the board of directors on 15th April 2003  
and signed on their behalf by:



T.P. Evans

Director

# **FOURWAY MANAGEMENT LIMITED**

**Notes To The Accounts For The Year Ended  
31st October 2002**

## **Accounting Policies**

### **Exemptions**

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

### **Turnover**

Turnover represents net cleaning service invoices rendered excluding VAT. None of the turnover was to markets outside the United Kingdom.

### **Depreciation**

Depreciation of tangible fixed assets is provided at the following rates in order to write off each asset over its estimated useful life:

Freehold building	2% on reducing balance
Plant and machinery	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Motor vehicles	25% on reducing balance
No depreciation is provided on freehold land	

### **Finance Cost Of Debt**

The finance cost of debt, including interest and issue costs are allocated to each period over the term of the debt and charged to profit and loss account at a constant rate on the outstanding debt.

### **Leased Assets**

Fixed assets acquired under finance leases are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future rentals is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the lease. Operating lease rentals are charged to profit and loss as incurred.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

# FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended  
31st October 2002-Continued

## Accounting Policies-Continued

### Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences 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.

### Pension

the company has a defined pension scheme for the benefit of 2 of the directors. The cost of the contributions made by the company to the scheme are charged to profit and loss as incurred.

## 2. Operating Profit

The operating profit is stated after charging

	2002	2001
Depreciation on tangible fixed assets	50,319	68,430
Staff costs	363,212	373,813
Auditors' remuneration	3,300	3,100
Operating lease rentals		
plant and machinery	27,087	23,582
Bad debts	8,622	10,120
Pension contributions	2,460	2,460

## 3. Continuing Activities

Cost of sales	453,649	479,386
Administration expenses	401,683	467,984
	-----	-----
£	855,332	947,370
	=====	=====

## 4. Particulars Of Staff And Pension

Staff costs, including directors' remuneration (note 5)

Wages and salaries	330,952	340,308
Social security costs	29,800	31,045
Pension costs	2,460	2,460
	-----	-----
£	363,212	373,813
	=====	=====

# FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended  
31st October 2002-Continued

## 5.Directors' Remuneration

	2002	2001
Emoluments for services as directors	128,852	124,458
Pension contributions	2,460	2,460

## 6.Finance Cost

Interest payable on long term loan	21,055	14,786
Interest on bank overdraft	8,146	6,404
Finance charges-finance leases	3,132	9,818
	-----	-----
£	32,333	31,008
	=====	=====

## 7.Tax On Profit On Ordinary Activities

Corporation tax at 19%	-	8,929
Deferred taxation at 19%	-	(1,374)
	-----	-----
£	-	7,555
	=====	=====

## 8.Dividends On Equity Shares

Interim dividend on ordinary shares	£	-	27,500
		=====	=====

# FOURWAY MANAGEMENT LIMITED

## Notes To The Accounts For The Year Ended 31st October 2002-Continued

### 9. Tangible Fixed Assets

	Freehold Land And Buildings	Plant And Machinery	Motor Vehicles Equipment	Total
	-----	-----	-----	-----
Cost Or Valuation				
1st November 2001	344,252	11,767	456,686	812,705
Additions	2,397	1,027	22,106	25,530
Disposals	-----	-----	78,203	78,203
31st October 2002	£ 346,649	12,794	400,589	760,032
	=====	=====	=====	=====
Depreciation				
1st November 2001	48,056	4,690	331,973	384,719
Charge for year	5,209	2,026	43,084	50,319
Disposals	-----	-----	62,503	62,503
31st October 2002	£ 53,265	6,716	312,554	372,535
	=====	=====	=====	=====
Written down values				
31st October 2002	£ 293,384	6,078	88,035	387,497
31st October 2001	£ 296,196	7,077	124,713	427,986

The historical cost of freehold land and buildings was £ 26,105 (2001 £ 26,105) was revalued in 1990 by Dixon Webb at a valuation of £ 90,000 and is included in the above at that amount. Aggregate depreciation on the original cost would have been £ 5,137 (2001 £ 4,700).

The cost of tangible fixed assets include £ 15,224 (2001 £ 129,097) in respect of assets held under finance leases. Depreciation charged on those assets amounted to £ 2,556 (2001 £ 15,945) for the year and the aggregate amount of £ 2,556 (2001 £ 78,257).

Freehold land at a cost of £ 38,217 has not been depreciated.

# FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended  
31st October 2002-Continued

## 9.Tangible Fixed Assets -Continued

At 31st October 2002 commitments for capital expenditure were as follows:-

	2002	2001
Contracted but not provided for in the accounts	£ Nil ===	Nil ===

## 10.Stocks

Raw materials	£ 4,794 =====	4,128 =====
---------------	------------------	----------------

## 11.Debtors

Trade debtors	202,954	222,442
Less:Amounts advanced without recourse	80,230	114,051
	-----	-----
	122,724	108,391
Other	-	6,190
	-----	-----
	£ 122,724	114,581
	=====	=====

## 12.Creditors:Amounts Due Within One Year

Borrowings(note 14)	71,892	52,760
Trade creditors	63,075	116,952
Other creditors(including tax and social security £ 19,559 (2001 £ 16,769)	34,923	37,216
Corporation tax	5,794	15,060
Directors' loan	10,156	185
Accruals	25,941	22,188
	-----	-----
	£ 211,781	244,361
	=====	=====

# FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended  
31st October 2002-Continued

## 13.Creditors:Amounts Falling Due After More Than One Year

	2002	2001
Borrowings(note 14)	£ 140,336	142,626
	=====	=====

## 14.Borrowings

Due within one year

Bank loans and overdrafts(secured)	69,178	36,929
Obligations under finance leases	2,714	15,831
	-----	-----
£	71,892	52,760
	=====	=====

Due after more than one year repayable  
by instalments

Bank loan	134,571	142,466
Obligations under finance leases	5,765	160
	-----	-----
£	140,336	142,626
	=====	=====

Repayable between 1 and 2 years	71,892	52,760
Due between 2 and 5 years	140,336	89,866
	-----	-----
£	212,228	142,626
	=====	=====

Interest on the bank loan is charged at a margin  
over bank rate.

The loan is secured on the company's assets.

## 15.Deferred Taxation

Provided for

Short term timing differences	-	-
Accelerated capital allowances	5,047	5,047
Losses available for future relief	-	-
	-----	-----
£	5,047	5,047
	=====	=====

# FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended  
31st October 2002-Continued

## 15.Deferred Taxation -Continued

	2002	2001
Not provided for		
Short term timing differences	Nil	Nil
Accelerated capital allowances	Nil	Nil
	---	---
	£ Nil	Nil
	===	===

## 16.Reconciliation Of Movements In Shareholders' Funds

Profit for the financial year	8,316	17,074
Dividends	-	(27,500)
Grants released	(5,126)	(5,126)
	-----	-----
Net Addition(2001 Reduction) To Shareholders' Funds	3,190	(15,552)
Opening shareholders' funds	154,661	170,213
	-----	-----
Closing Shareholders' Funds	£ 157,851	154,661
	=====	=====

Represented by:-

Equity shares	£ 157,851	154,661
	=====	=====

## 17.Called Up share Capital

Authorised

30,000 Ordinary Shares Of £1 Each	£ 30,000	30,000
	=====	=====

Issued

10,000 Ordinary Shares Of £1 Each	£ 10,000	10,000
	=====	=====



## FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended  
31st October 2002-Continued

### 18. Reserves

	Grants Received	Revaluation Reserve	Profit And Loss
	-----	-----	-----
1st November 2001	23,543	67,395	53,723
Grants released	(5,126)		
Retained profit for the year			8,316
	-----	-----	-----
31st October 2002    £	18,417	67,395	62,039
	=====	=====	=====

### 19. Commitments

The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £ 2,460 (2001 £ 2,460).

### Operating Leases

The company has annual commitments under noncancellable operating leases as follows:-

Expiry date

Within one year	£    3,679
	=====

### 20. Contingent Liabilities

The directors are not aware of any contingent liabilities.

### 21. Transactions With Directors

There were no reportable transactions with directors.

## **FOURWAY MANAGEMENT LIMITED**

**Notes To The Accounts For The Year Ended  
31st October 2002-Continued**

### **22.Post Balance Sheet Events**

The directors are not aware of any reportable post balance sheet events.

### **23.Related Parties**

The directors are not aware of any reportable related party transactions.