

Registration number 1875174

A A FRANCES & SONS LIMITED

Directors' report and financial statements

for the year ended 30 June 2001



McKnights

CHARTERED CERTIFIED ACCOUNTANTS

WORCESTER

A A FRANCES & SONS LIMITED

Company information

| | |
|-------------------|---|
| Directors | Mr A H Crompton Mrs F M Crompton |
| Secretary | Mrs F M Crompton |
| Company number | 1875174 |
| Registered office | Unit 10 Dunlop Road Hunt End Industrial Estate REDDITCH Worcs B97 5XP |
| Accountants | McKnights Britannia Court Britannia Road Worcester WR1 3DF |
| Business address | Unit 10 Dunlop Road Hunt End Industrial Estate REDDITCH Worcs B97 5XP |

A A FRANCES & SONS LIMITED

Contents

| | Page |
|---|--------------------|
| Directors' report | 1 |
| Accountants' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 - 5 |
| Notes to the financial statements | 6 - 10 |
| The following pages do not form part of the statutory accounts | |
| Detailed trading and profit and loss account | Appendix 1 |
| Schedule of Administration expenses | Appendix 11 |

A A FRANCES & SONS LIMITED

Directors' report for the year ended 30 June 2001

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

Principal activity

The principal activity of the company is that of electrical, security and decorating contractors.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

| | Ordinary shares | |
|------------------|-----------------|----------|
| | 30/06/01 | 01/07/00 |
| Mr A H Crompton | 50 | 50 |
| Mrs F M Crompton | 50 | 50 |

Directors' responsibilities

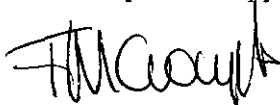
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 28 March 2002 and signed on its behalf by



Mrs F M Crompton
Secretary

A A FRANCES & SONS LIMITED

**Accountants' report on the unaudited financial statements to the directors of
A A FRANCES & SONS LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 June 2001 set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



**McKights
Chartered Certified Accountants
Britannia Court
Britannia Road
Worcester
WR1 3DF**

Date: 3. April 2002

A A FRANCES & SONS LIMITED

Profit and loss account for the year ended 30 June 2001

| | | 2001 | 2000 |
|--|----------|-----------|-----------|
| | Notes | £ | £ |
| Turnover | 2 | 360,280 | 522,418 |
| Cost of sales | | (222,087) | (369,407) |
| Gross profit | | 138,193 | 153,011 |
| Administrative expenses | | (90,972) | (118,755) |
| Operating profit | 3 | 47,221 | 34,256 |
| Other interest receivable and similar income | | - | 17 |
| Interest payable and similar charges | | (767) | (3,606) |
| Profit on ordinary activities before taxation | | 46,454 | 30,667 |
| Tax on profit on ordinary activities | 6 | (5,216) | (8,432) |
| Profit on ordinary activities after taxation | | 41,238 | 22,235 |
| Dividends | | (29,038) | (21,688) |
| Retained profit for the year | | 12,200 | 547 |
| Retained profit brought forward | | 13,593 | 13,046 |
| Retained profit carried forward | | 25,793 | 13,593 |

The notes on pages 6 to 10 form an integral part of these financial statements.

A A FRANCES & SONS LIMITED

Balance sheet as at 30 June 2001

| | | 2001 | | 2000 | |
|---|-------|-----------------|---------------|-----------------|---------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 47,800 | | 26,652 |
| Current assets | | | | | |
| Stocks | | 17,785 | | 17,786 | |
| Debtors | 8 | 29,717 | | 34,607 | |
| Cash at bank and in hand | | 11,050 | | 3,398 | |
| | | <u>58,552</u> | | <u>55,791</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(80,459)</u> | | <u>(68,750)</u> | |
| Net current liabilities | | | (21,907) | | (12,959) |
| Net assets | | | <u>25,893</u> | | <u>13,693</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 100 | | 100 |
| Profit and loss account | | | 25,793 | | 13,593 |
| Shareholders' funds | | | <u>25,893</u> | | <u>13,693</u> |

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 10 form an integral part of these financial statements.

A A FRANCES & SONS LIMITED

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 30 June 2001**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 June 2001 and

(c) that we acknowledge our responsibilities for:

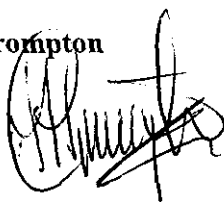
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with 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 Entities (effective March 2000).

The financial statements were approved by the Board on 28 March 2002 and signed on its behalf by

Mr A H Crompton
Director



The notes on pages 6 to 10 form an integral part of these financial statements.

A A FRANCES & SONS LIMITED

Notes to the financial statements for the year ended 30 June 2001

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|---------------------|---|----------------------|
| Plant and machinery | - | 20% reducing balance |
| Computer equipment | - | 33% straight line |
| Motor vehicles | - | 25% straight line |

1.4. 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 constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock

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

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

A A FRANCES & SONS LIMITED

Notes to the financial statements for the year ended 30 June 2001

..... continued

| | | |
|--|---------------|---------------|
| 3. Operating profit | 2001 | 2000 |
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation and other amounts written off tangible assets | 7,784 | 7,635 |
| and after crediting: | | |
| Profit on disposal of tangible fixed assets | 1,499 | 312 |
| | | |
| 4. Directors' emoluments | 2001 | 2000 |
| | £ | £ |
| Remuneration and other benefits | 26,800 | 24,450 |
| | | |
| | Number | Number |
| Number of directors to whom retirement benefits are accruing under a money purchase scheme | 2 | 2 |
| | | |
| 5. Pension costs | | |
| The company operates a defined contribution pension scheme in respect of the Directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £8,600 (2000 - £8,600). | | |
| | | |
| 6. Taxation | 2001 | 2000 |
| | £ | £ |
| UK current year taxation | | |
| UK corporation tax at 20.00% (2000 - 20.00%) | 5,216 | 5,833 |
| Prior years | | |
| UK corporation tax | - | 2,599 |
| | 5,216 | 8,432 |

A A FRANCES & SONS LIMITED

Notes to the financial statements for the year ended 30 June 2001

..... continued

| 7. Tangible fixed assets | Plant and machinery £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|-----------------------------|----------------------------|------------------------|---------------|
| Cost | | | | |
| At 1 July 2000 | 28,199 | 858 | 41,062 | 70,119 |
| Additions | 1,584 | 13,994 | 14,013 | 29,591 |
| Disposals | - | - | (9,324) | (9,324) |
| At 30 June 2001 | <u>29,783</u> | <u>14,852</u> | <u>45,751</u> | <u>90,386</u> |
| Depreciation | | | | |
| At 1 July 2000 | 15,429 | 24 | 28,654 | 44,107 |
| On disposals | - | - | (9,323) | (9,323) |
| Charge for the year | 2,871 | 519 | 4,412 | 7,802 |
| At 30 June 2001 | <u>18,300</u> | <u>543</u> | <u>23,743</u> | <u>42,586</u> |
| Net book values | | | | |
| At 30 June 2001 | <u>11,483</u> | <u>14,309</u> | <u>22,008</u> | <u>47,800</u> |
| At 30 June 2000 | <u>12,770</u> | <u>834</u> | <u>12,408</u> | <u>26,012</u> |

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

| Asset description | 2001 | | 2000 | |
|-------------------|------------------------|-----------------------------|------------------------|-----------------------------|
| | Net book value £ | Depreciation charge £ | Net book value £ | Depreciation charge £ |
| Motor vehicles | <u>22,005</u> | <u>2,664</u> | <u>10,656</u> | <u>-</u> |

| 8. Debtors | 2001 £ | 2000 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 26,796 | 31,635 |
| Other debtors | 150 | 150 |
| Prepayments and accrued income | 2,771 | 2,822 |
| | <u>29,717</u> | <u>34,607</u> |

A A FRANCES & SONS LIMITED

Notes to the financial statements for the year ended 30 June 2001

..... continued

| 9. Creditors: amounts falling due within one year | 2001 £ | 2000 £ |
|--|---------------|---------------|
| Bank overdraft | 5,467 | - |
| Net obligations under finance leases and hire purchase contracts | 13,979 | 9,428 |
| Trade creditors | 28,572 | 17,798 |
| Corporation tax | 4,914 | 5,833 |
| Other taxes and social security costs | 6,409 | 17,806 |
| Directors' accounts | 15,990 | 12,461 |
| Other creditors | 3,235 | 2,876 |
| Accruals and deferred income | 1,893 | 2,548 |
| | <u>80,459</u> | <u>68,750</u> |

10. Deferred taxation

Deferred tax is analysed over the following timing differences:

| | Not provided | | Provided | |
|--------------------------------|--------------|------------|-----------|-----------|
| | 2001 £ | 2000 £ | 2001 £ | 2000 £ |
| Accelerated capital allowances | <u>4,411</u> | <u>478</u> | <u>-</u> | <u>-</u> |

Deferred taxation is based on a corporation tax rate of 20%.

| 11. Share capital | 2001 £ | 2000 £ |
|---|--------------|--------------|
| Authorised | | |
| 5,000 Ordinary shares of £1 each | <u>5,000</u> | <u>5,000</u> |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

12. Transactions with directors

Included within other creditors are loans from the directors totalling £15,990 (2000 £12,461).

A A FRANCES & SONS LIMITED

**Notes to the financial statements
for the year ended 30 June 2001**

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13. Controlling interest

The controlling parties are Mr and Mrs Crompton by virtue of them each owning 50% of the issued ordinary share capital in the company.

A A FRANCES & SONS LIMITED

Appendix 1

Detailed trading and profit and loss account for the year ended 30 June 2001

| | 2001 | | 2000 | |
|------------------------------------|----------------|---------------|----------------|---------------|
| | £ | £ | £ | £ |
| Sales | | 360,280 | | 522,418 |
| Cost of sales | | | | |
| Opening stock | 17,786 | | 60,216 | |
| Purchases | 115,304 | | 240,987 | |
| Wages and salaries | 85,366 | | 71,183 | |
| Subcontract labour | 21,416 | | 14,807 | |
| | <u>239,872</u> | | <u>387,193</u> | |
| Closing stock | (17,785) | | (17,786) | |
| | | (222,087) | | (369,407) |
| Gross profit | 38% | 138,193 | 29% | 153,011 |
| Administrative expenses | 90,972 | | 118,755 | |
| | | (90,972) | | (118,755) |
| Operating profit | 13% | 47,221 | 7% | 34,256 |
| Other income and expenses | | | | |
| Interest receivable | | | | |
| Other interest | - | | 17 | |
| | | - | | 17 |
| Bank interest | (195) | | 1,999 | |
| HP interest and fin. lease charges | 927 | | 1,607 | |
| Interest on overdue tax | 35 | | - | |
| | | (767) | | (3,606) |
| Net profit for the year | | <u>46,454</u> | | <u>30,667</u> |

A A FRANCES & SONS LIMITED

Appendix 11

**Administrative expenses
for the year ended 30 June 2001**

| | 2001 | 2000 |
|---|---------------|----------------|
| | £ | £ |
| Administrative expenses | | |
| Wages and salaries | 5,572 | 20,468 |
| Directors' remuneration | 18,200 | 15,850 |
| Directors' money purchase pension costs | 8,600 | 8,600 |
| Rent | 6,986 | 11,698 |
| Rates | 2,898 | 5,037 |
| Insurance | 2,917 | 4,530 |
| Light and heat | 788 | 1,630 |
| Repairs and renewals | 1,731 | 1,967 |
| Printing, postage and stationery | 2,433 | 2,560 |
| Advertising | 2,114 | 1,617 |
| Telephone | 3,460 | 3,653 |
| Hire of equipment | - | 1,131 |
| Motor and travel | 21,126 | 21,576 |
| Entertaining | 1,696 | 564 |
| Legal and professional | - | 2,125 |
| Accountancy | 2,484 | 2,059 |
| Bank charges | 562 | 1,997 |
| Credit card charges | - | 614 |
| Bad debts | 1,493 | 955 |
| Sundry | 1,627 | 2,801 |
| Depreciation on plant and equipment | 2,871 | 3,193 |
| Depreciation on computer equipment | 501 | 42 |
| Depreciation on motor vehicles | 4,412 | 4,400 |
| Profits/losses on disposal of tangible assets | (1,499) | (312) |
| | <u>90,972</u> | <u>118,755</u> |