

ACTJACK LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2000

Company Registration Number 01845163

ERIC WILLS & CO
Chartered Accountants & Registered Auditors
St Deny's House
22 East Hill
St Austell
Cornwall
PL25 4TR



ACTJACK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

CONTENTS	PAGE
The directors' report	1
Auditors' report to the shareholders	3
Profit and loss account	4
Reconciliation of movements in shareholders' funds	5
Balance sheet	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed profit and loss account	13
Notes to the detailed profit and loss account	14

ACTJACK LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of General Merchants, selling mainly gifts, do-it-yourself, hardware and clothing.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2000	At 1 January 2000
J H Smyth	1	1
J E Smyth	<u>1</u>	<u>1</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint Eric Wills & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ACTJACK LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2000

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
56 Fore Street
Redruth
Cornwall
TR15 2AQ

Signed by order of the directors

J E SMYTH
Company Secretary

Approved by the directors on

Janet E Smyth
22/10/01

ACTJACK LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 DECEMBER 2000

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



ERIC WILLS & CO
Chartered Accountants
& Registered Auditors

St Deny's House
22 East Hill
St Austell
Cornwall
PL25 4TR

23/10/01

ACTJACK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
TURNOVER		1,164,272	1,303,868
Cost of sales		<u>722,782</u>	<u>806,575</u>
GROSS PROFIT		441,490	497,293
Administrative expenses		<u>475,297</u>	<u>465,492</u>
OPERATING (LOSS)/PROFIT	2	(33,807)	31,801
Interest payable	4	<u>4,825</u>	<u>3,365</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(38,632)	28,436
Tax on (loss)/profit on ordinary activities		<u>6,205</u>	<u>(9,439)</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(32,427)	18,997
Balance brought forward		<u>73,222</u>	<u>54,225</u>
Balance carried forward		<u><u>40,795</u></u>	<u><u>73,222</u></u>

The company has no recognised gains or losses other than the results for the
year as set out above.

All of the activities of the company are classed as continuing.

ACTJACK LIMITED
YEAR ENDED 31 DECEMBER 2000

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/Profit for the financial year	(32,427)	18,997
Opening shareholders' equity funds	<u>73,224</u>	<u>54,227</u>
Closing shareholders' equity funds	<u>40,797</u>	<u>73,224</u>

ACTJACK LIMITED

BALANCE SHEET

31 DECEMBER 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	5	21,733	17,528
CURRENT ASSETS			
Stocks		291,976	332,214
Debtors	6	19,699	12,217
Cash at bank and in hand		21,420	5,765
		<u>333,095</u>	<u>350,196</u>
CREDITORS: Amounts falling due within one year	7	<u>(308,345)</u>	<u>(294,500)</u>
NET CURRENT ASSETS		<u>24,750</u>	<u>55,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>46,483</u>	<u>73,224</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(5,686)</u>	<u>-</u>
		<u>40,797</u>	<u>73,224</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	2	2
Profit and Loss Account		40,795	73,222
SHAREHOLDERS' FUNDS		<u>40,797</u>	<u>73,224</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22/10/01, and are signed on their behalf by:



J H SMYTH

Janet E Smyth
J E SMYTH

ACTJACK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 6.67% straight line
Fixtures & Fittings	- 15% reducing balance method
Motor Vehicles	- 25% reducing balance method

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

ACTJACK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	5,430	3,590
Profit on disposal of fixed assets	-	(60)
Auditors' fees	1,850	1,850
Operating lease costs:		
Plant and equipment	4,114	3,501
Vehicles	<u>3,773</u>	<u>2,314</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2000	1999
	£	£
Aggregate emoluments	<u>8,995</u>	<u>13,016</u>

4. INTEREST PAYABLE

	2000	1999
	£	£
Finance charges	912	-
Other interest	3,913	3,365
	<u>4,825</u>	<u>3,365</u>

5. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 January 2000	11,645	18,555	6,450	36,650
Additions	-	1,784	7,851	9,635
At 31 December 2000	<u>11,645</u>	<u>20,339</u>	<u>14,301</u>	<u>46,285</u>
DEPRECIATION				
At 1 January 2000	6,834	9,466	2,822	19,122
Charge for the year	776	1,784	2,870	5,430
At 31 December 2000	<u>7,610</u>	<u>11,250</u>	<u>5,692</u>	<u>24,552</u>
NET BOOK VALUE				
At 31 December 2000	<u>4,035</u>	<u>9,089</u>	<u>8,609</u>	<u>21,733</u>
At 31 December 1999	<u>4,811</u>	<u>9,089</u>	<u>3,628</u>	<u>17,528</u>

ACTJACK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

5. TANGIBLE FIXED ASSETS *(continued)***Hire purchase agreements**

Included within the net book value of £21,733 is £5,888 (1999 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £1,963 (1999 - £Nil).

6. DEBTORS

	2000 £	1999 £
Corporation Tax repayable	5,855	-
Other debtors	13,844	12,217
	<u>19,699</u>	<u>12,217</u>

7. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	22,044	47,937
Trade creditors	200,484	171,064
Hire purchase agreements	1,217	-
Other creditors	80,316	73,053
Accruals and deferred income	4,284	2,446
	<u>308,345</u>	<u>294,500</u>

Included in other creditor is a balance of £50,001 (1999 - £28,371) representing the balance on directors current accounts.

8. CREDITORS: Amounts falling due after more than one year

	2000 £	1999 £
Hire purchase agreements	<u>5,686</u>	<u>-</u>

9. DEFERRED TAXATION

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:

	2000 £	1999 £
Excess of taxation allowances over depreciation on fixed assets	788	921
Tax losses available	<u>(1,638)</u>	<u>-</u>
	<u>(850)</u>	<u>921</u>

ACTJACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000	1999
	£	£
Amounts payable within 1 year	2,330	-
Amounts payable between 2 to 5 years	6,290	-
	<u>8,620</u>	<u>-</u>
Less interest and finance charges relating to future periods	(1,717)	-
	<u>6,903</u>	<u>-</u>

11. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	2000		1999	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	-	8,743	-	8,305
After more than 5 years	100,000	-	100,000	-
	<u>100,000</u>	<u>8,743</u>	<u>100,000</u>	<u>8,305</u>

ACTJACK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

12. RELATED PARTY TRANSACTIONS

The company was under the control of Mr J H Smyth and Mrs J E Smyth throughout the current and previous year. Mr J H Smyth is the managing director. Mr and Mrs Smyth own 100% of the issued share capital between them.

Related party transactions

(i) The company trades from properties in Redruth and Camborne which are owned personally by the directors, Mr J H and Mrs J E Smyth. No formal lease agreement is held by the company. The total annual rent charged for the use of the properties is £80,000.

(ii) The company trades from a property in Penzance which is owned by a family trust established by the directors for the benefit of their children and grandchildren. A number of the beneficiaries are employed by the company. There is no formal lease between the company and the trust. The annual rent charged by the trust amounts to £20,000.

(iii) Goods taken from the shops are charged to the directors current account balance. At the end of the year, the company owed the directors £50,001. There is no formal repayment agreement between the directors and the company. No interest is charged on the balance, and no repayment date has been set. The money is repayable on demand.

(iv) Included in other debtors are amounts of £1,475 and £3,702 (1999 - £1,975 and £1,300) relating to staff loans to Mr Jacob Smyth and Mr Jason Smyth respectively. These are the adult sons of the two directors of the company. Neither loan bears interest, and neither loan has a fixed repayment date.

13. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
10,000 Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

14. POST BALANCE SHEET EVENTS

Since the year end the directors have taken the decision to close the Camborne shop. Over the previous few months, the shop had suffered from two major problems which had seriously hampered its trading position. During the year 2000, the local Council altered the road layout which resulted in the road outside the shop becoming one-way. In addition, the gas mains in the area required considerable renovation, which further disrupted the access. As a result of these factors, the level of sales dropped off significantly. In 2000, the Camborne takings were down by 12%, and this trend continued into the new year. The shop was finally closed on April 2001. The company retains control of the building, and it is hoped to sub-let it in the future.