

Company No: 4509037

K G ELL DECORATIONS LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2003



K G ELL DECORATIONS LIMITED

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The director presents his report and the financial statements of the company for the period ended 30 September 2003. The company was incorporated on 12 August 2002 and started trading on 1 October 2002.

Review of the Business and Future Development

The principal activity of the company during the period has been that of painting and decorating.

Results

The results for the period are set out in the attached Profit and Loss Account.

Dividends

Dividends of £21,600 were paid on ordinary shares during the period.

Directors

The director during the period, and his shareholding at the end of the period is as follows:

	Ordinary Shares at £1 each	
	At 30-9-03	At 12-8-02
Mr K G Ell	1	1

Company law requires the director 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 year. In preparing those financial statements, the director is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Donations

No charitable or political donations were made during the year.

Small Company Exemptions

Advantage has been taken in the preparation of the director's report of the special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985.

This report was approved by the board on 11 JUNE 2004 and signed on its behalf by:-

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the printed name of the director.

K G Ell
Director

75A Jacobs Wells Road
Clifton
Bristol
BS8 1DJ

	Note	£	2003	£
Tangible fixed assets	(4)			5,521
Intangible assets	(5)			<u>22,500</u>
				28,021
Current Assets				
Debtors and prepayments	(6)	51,918		
Cash at bank		<u>10,467</u>		
		62,385		
Creditors - amounts falling due within one year	(7)	<u>62,492</u>		
Net Current (Liabilities)				<u>(107)</u>
Total Assets Less Current Liabilities				£ <u>27,914</u>
Capital and Reserves				
Called up share capital	(8)			2
Profit and loss account				<u>27,912</u>
Total Shareholders' Funds	(9)			£ <u>27,914</u>

Statement by the Director

For the period ended 30 September 2003, the accounts have not been audited because the company is entitled to the exemption provided by s249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the period in accordance with s249B(2).

The director acknowledges his responsibility for ensuring that the company keeps accounting records that comply with s221 of the Companies Act 1985. The director also acknowledges his responsibility for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with s226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 11 JUNE 2004 and signed on its behalf by;



K G Ell
Director

The notes on pages 5 to 7 form part of these financial statements

	<u>Note</u>	<u>2003</u> <u>£</u>
Turnover		201,295
Cost of Sales		<u>114,628</u> 86,667
Administration expenses		<u>23,514</u>
Operating profit	(2)	63,153
Interest receivable		<u>68</u>
Profit on ordinary activities before taxation		63,221
Taxation	(3)	<u>13,709</u>
Profit on ordinary activities after taxation		49,512
Dividends paid		<u>21,600</u>
Retained profit		27,912
Retained profit brought forward		<u>-</u>
Retained profit carried forward		<u>£ 27,912</u>

There are no recognised gains or losses for 2003 other than those included in the profit and loss account.

1. Accounting Policies

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the costs of fixed assets over their expected useful lives on the following basis:

Motor Vehicles	-	25% per annum reducing balance method
Office equipment	-	25% per annum reducing balance method

Goodwill is amortised over 10 years.

Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for unsaleable and slow-moving stocks.

Finance leases

Assets acquired under finance leases are treated as if they had been purchased outright. Depreciation is provided in accordance with the company's accounting policy and the amounts due in respect of future repayments are included in creditors.

Turnover

Turnover comprises the net invoiced value of goods and services supplied in the ordinary course of business (excluding Value Added Tax), plus an adjustment to recognise the income earned but not invoiced on contracts in progress at the period end.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK.

Unbilled debtors

Invoiced sales are adjusted to include the estimated sales value of material contracts for which a milestone (which would allow a future invoice to be issued) has not been reached at the period end.

Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, to the extent that the directors are of the opinion that there is reasonable probability that a liability or asset will crystallise in the near future.

2. Operating profit

	<u>2003</u>
	£
This is stated after charging:-	
Director's emoluments	3,000
Depreciation – owned assets	1,841
Amortisation of goodwill	<u>2,500</u>

3. Taxation

The amount charged to profit and loss account comprises:-

	<u>2003</u>
	£
UK Corporation tax at the small company rate (19%) on the results for the current period	12,304
Deferred taxation	<u>1,405</u>
	<u>13,709</u>

4. Tangible fixed assets

	Office Equipment £	Motor Vehicles £	Total £
Cost			
Additions	3,362	4,000	7,362
At 30 September 2003	<u>3,362</u>	<u>4,000</u>	<u>7,362</u>
Depreciation			
Charge in year	841	1,000	1,841
At 30 September 2003	<u>841</u>	<u>1,000</u>	<u>1,841</u>
Net Book Value			
At 30 September 2003	<u>2,521</u>	<u>3,000</u>	<u>5,521</u>

5. Intangible assets

	Goodwill £
Cost	
Additions	<u>25,000</u>
At 30 September 2003	<u>25,000</u>
Amortisation	
Charge in year	<u>2,500</u>
At 30 September 2003	<u>2,500</u>
Net Book Value	
At 30 September 2003	<u>22,500</u>

6. Debtors	<u>2003</u>
	£
Trade debtors	51,167
Other debtors and prepayments	<u>751</u>
	<u>51,918</u>
7. Creditors - Amounts falling due within one year	<u>2003</u>
	£
Trade creditors	13,106
Director's loan account	24,404
Social Security and other taxes	10,654
Corporation tax	12,304
Deferred tax	1,405
Bank loan	316
Accruals and other creditors	<u>303</u>
	<u>62,492</u>
8. Share Capital	<u>2003</u>
	£
Authorised:-	
1,000 Ordinary shares of £1 each	<u>1,000</u>
Issued and fully paid	
2 Ordinary share of £1 each	<u>2</u>
9. Movement on Shareholders' funds	<u>2003</u>
	£
Shares issued	2
Profit for the financial year	49,512
Dividends	<u>(21,600)</u>
Net addition to shareholders' funds	27,914
Opening shareholders' funds	-
Closing shareholders' funds	<u>27,914</u>

K G ELL DECORATIONS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

For Management
Information Only

FOR THE PERIOD ENDED 30 SEPTEMBER 2003

		2003	
	£		£
Sales			
Invoiced			184,051
Add closing unbilled			<u>17,244</u>
			201,295
Less Cost of Sales			
Materials and plant hire	45,248		
Sub contract and direct labour	<u>69,380</u>		
			<u>114,628</u>
Gross Profit			86,667
Interest received			<u>68</u>
			86,735
Less Overheads			
Administration and Selling			
Director's remuneration	3,000		
Administration wages	3,640		
Motor and travel	4,989		
Mobile phones	904		
Insurance	1,315		
Protective clothing and laundry	355		
Printing, stationery and advertising	684		
Sundries	680		
Use of home as office	520		
Accountancy	2,194		
Depreciation	1,841		
Amortisation of goodwill	2,500		
Bank charges	694		
Loan interest	<u>198</u>		
Total overheads			<u>23,514</u>
Net Profit			£ <u>63,221</u>