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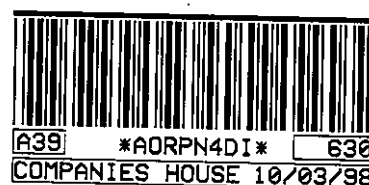
F. H. HARVEY & SONS (DECORATORS) LIMITED

REPORT OF THE DIRECTORS

AND

STATEMENT OF ACCOUNTS

YEAR ENDED 30 NOVEMBER 1997



F. H. HARVEY & SONS (DECORATORS) LIMITED

STATEMENT OF ACCOUNTS

YEAR ENDED 30 NOVEMBER 1997

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F. H. HARVEY & SONS (DECORATORS) LIMITED

Registered in England No. 890252

DIRECTOR:

A. J. Harvey

SECRETARY:

E. Harvey

REGISTERED OFFICE:

**94 The Common
Earlswood
Solihull
West Midlands
B94 5SJ**

ACCOUNTANTS:

**Wilson & Co
Chartered Accountants
Copper Beech House
5 Beehive Hill
Kenilworth
Warwickshire
CV8 1BY**

REGISTERED AUDITORS:

**Collins Hart
437 Birmingham Road
Sutton Coldfield
West Midlands
B72 1AX**

BANKERS:

**Lloyds Bank Plc
Stratford Road
Sparkhill
Birmingham
B11**

F.H. HARVEY & SONS (DECORATORS) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statement for the period ended 30th November 1997.

PRINCIPAL ACTIVITY

The principal activity of the company was that of painting and decorating.

There has been no significant change in this activity during the year.

DIRECTORS AND THEIR INTERESTS

The directors at 30th November 1997 and their interests in the share capital of the company were as follows:

Ordinary shares of £1 each	30.11.97	30.11.96
A. J. Harvey	200	200

AUDITORS

A resolution will be proposed at the Annual General Meeting to reappoint Messrs. Collins Hart as Auditors of the Company.

DIRECTORS RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departure disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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 has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of
the board of directors

.....
Director

Approved by the board: 27th February 1998.

F. H. HARVEY & SONS (DECORATORS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 1997

	NOTES	1997 £	£	1996 £	£
TURNOVER			594,163		459,188
Change in stocks and work in progress			96,236		(687)
Other Operating Income			2,060		1,056
			<u>692,459</u>		<u>459,557</u>
Materials, Subcontractors & Consumables			(217,269)		(275,341)
			<u>475,190</u>		<u>184,216</u>
Hire of Equipment		14,396		5,854	
Staff Costs		250,778		107,837	
Depreciation		9,916		5,866	
Other Operating Charges		56,707		22,300	
			<u>(331,797)</u>		<u>(141,857)</u>
OPERATING PROFIT	2		<u>143,393</u>		<u>42,359</u>
Interest Payable			(812)		(924)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX			<u>142,581</u>		<u>41,435</u>
Tax on Profit on Ordinary activities	3		(31,503)		(9,981)
PROFIT FOR THE FINANCIAL YEAR			<u>111,078</u>		<u>31,454</u>
Dividend	4		(50,000)		(30,000)
Profit brought forward			<u>61,078</u> <u>15,493</u>		<u>1,454</u> <u>14,039</u>
RETAINED PROFIT CARRIED FORWARD			<u>£ 76,571</u>		<u>£ 15,493</u>

The company has no recognised gains and losses other than the profit and loss for the period.

F. H. HARVEY & SONS (DECORATORS) LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 1997

	NOTES	1997 £	£	1996 £	£
FIXED ASSETS					
Tangible Assets	5		30,791		18,639
CURRENT ASSETS					
Debtors	6	25,138		54,711	
Stocks		110,736		14,500	
Cash at Bank and In Hand		36,328		12,301	
		<u>172,202</u>		<u>81,512</u>	
CREDITORS: Amounts falling due within one year	7	<u>125,822</u>		<u>84,058</u>	
NET CURRENT ASSETS/(LIABILITIES)			46,380		(2,546)
			<u>£77,171</u>		<u>£16,093</u>
CAPITAL AND RESERVES					
Called up Share Capital	8		600		600
Profit and Loss Account			76,571		15,493
SHAREHOLDERS FUNDS	9		<u>£77,171</u>		<u>£16,093</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

..........Director
Approved by the Board: 27th February 1998

F. H. HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE ACCOUNTS

30 NOVEMBER 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Office Equipment	15% of net book value
Motor Vehicles	25% of net book value

Stocks

Stocks are valued by the directors at the lower of cost and net realisable value. The value of work in progress comprises direct costs together with an appropriate proportion of overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

F. H. HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE ACCOUNTS

30 NOVEMBER 1997

2. OPERATING PROFIT

	1997	1996
	£	£
This is stated after charging:		
Directors' Emoluments	23,856	35,109
Auditors Remuneration	1,500	1,000
Depreciation of Owned Assets	9,837	7,252
Directors' Emoluments consists of:		
Directors Remuneration	18,856	35,109
Directors Pension Scheme	5,000	-
	<u>23,856</u>	<u>35,109</u>

During the year 2 directors(1996 NIL) were accruing benefits under money purchase schemes.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
	£	£
Based on the Profit for the Year		
Corporation Tax @ 22% (1996 24,33%)	31,503	9,981

4. DIVIDENDS

	1997	1996
	£	£
Dividends Paid £83.33 per share	50,000	30,000
(1996 £50)		

5. TANGIBLE FIXED ASSETS

	Motor Vehicles	Office Equipment	Total
	£	£	£
Cost			
Balance as at 1 December 1996	28,715	3,515	32,230
Additions	29,594	390	29,984
Disposal	(17,365)	-	(17,365)
Balance as at 30 November 1997	<u>40,944</u>	<u>3,905</u>	<u>44,849</u>
Depreciation			
Balance as at 1 December 1996	12,286	1,305	13,591
Charge for the Year	9,526	390	9,916
Disposal	(9,449)	-	(9,449)
Balance as at 30 November 1997	<u>12,363</u>	<u>1,695</u>	<u>14,058</u>
Net Book Amounts as at 30 November 1997	<u>28,581</u>	<u>2,210</u>	<u>30,791</u>
Net Book Amounts as at 30 November 1996	<u>16,429</u>	<u>2,210</u>	<u>18,639</u>

F. H. HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE ACCOUNTS

30 NOVEMBER 1997

6. DEBTORS

	1997	1996
	£	£
Trade Debtors	24,350	54,711
Other Debtors	788	-

7. CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Bank Overdraft	-	18,717
Trade Creditors	37,575	15,151
Taxation	31,503	9,981
Other Taxes and Social Security Costs	2,057	8,960
Directors' Loan Accounts	53,137	31,249
Other Creditors	1,550	-
	125,822	84,058

8. SHARE CAPITAL

	1997	1996
	£	£
Authorised Ordinary shares of £1 each	3,000	3,000
Allotted, Issued and Fully Paid Ordinary Shares of £1 each	600	600

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1996
	£	£
Profit for the Financial Year after Taxation	111,078	31,454
Dividends	(50,000)	(30,000)
	61,078	1,454
Opening Shareholders Funds at 1st December 1996	16,093	14,639
Closing Shareholders Funds at 30th November 1997	77,171	16,093

10. PENSIONS

The company operates a defined contribution pension scheme. The total contributions for the year amounted to £5,000.

**AUDITOR'S REPORT TO THE SHAREHOLDERS OF
F. H. HARVEY & SONS (DECORATORS) LIMITED**

We have audited the financial statements on pages 3 - 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of 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 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 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 at 30th November 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Collins Hart

437 Birmingham Road
Sutton Coldfield
West Midlands
B72 1AX

Collins Hart
Chartered Accountants

Registered Auditors

Date: 27th February 1998.