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COMPANY REGISTRATION NUMBER 890252

F H HARVEY & SONS (DECORATORS) LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2005



F H HARVEY & SONS (DECORATORS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

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F H HARVEY & SONS (DECORATORS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A J Harvey
D Harvey

Company secretary

E Harvey

Registered office

Brook Mews
Tanworth Lane
Henley in Arden
Solihull
B95 5RA

Accountants

Wilson Bott
Chartered Certified Accountants
528a Haslucks Green Road
Majors Green
Solihull
West Midlands
B90 1DS

Bankers

Allied Irish Bank
9 Waterloo Road
Wolverhampton
WV1 4NB

F H HARVEY & SONS (DECORATORS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2005

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 November 2005.

PRINCIPAL ACTIVITIES

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

THE DIRECTORS AND THEIR INTERESTS IN THE 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 30 November 2005	At 1 December 2004
A J Harvey	300	300
D Harvey	<u>300</u>	<u>300</u>

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.

Signed on behalf of the directors

A J Harvey 

Director

Approved by the directors on 25 September 2006

F H HARVEY & SONS (DECORATORS) LIMITED
ACCOUNTANTS' REPORT TO THE DIRECTORS OF F H HARVEY &
SONS (DECORATORS) LIMITED
YEAR ENDED 30 NOVEMBER 2005

As described on the balance sheet, the directors of the company are responsible for the preparation of the financial statements for the year ended 30 November 2005, set out on pages 4 to 14 .

You consider that the company is exempt from an audit under the Companies Act 1985.

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 and explanations supplied to us.

528a Haslucks Green Road
Majors Green
Solihull
West Midlands
B90 1DS

25 September 2006

WILSON BOTT
Chartered Certified Accountants

F H HARVEY & SONS (DECORATORS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2005

	Note	2005 £	2004 (restated) £
TURNOVER		2,325,382	2,667,824
Cost of sales		1,538,983	1,775,722
GROSS PROFIT		<u>786,399</u>	<u>892,102</u>
Administrative expenses		536,328	693,572
OPERATING PROFIT	2	<u>250,071</u>	<u>198,530</u>
Interest receivable and similar income		23,704	11,496
Amounts written off investments	4	—	(325)
Interest payable and similar charges		(1,274)	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>272,501</u>	<u>209,701</u>
Tax on profit on ordinary activities	5	68,807	89,041
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>203,694</u>	<u>120,660</u>
Equity dividends paid		100,000	100,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>103,694</u></u>	<u><u>20,660</u></u>

The notes on pages 8 to 14 form part of these financial statements.

F H HARVEY & SONS (DECORATORS) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 NOVEMBER 2005

	2005	2004 (restated)
	£	£
Profit for the financial year attributable to the shareholders	203,694	120,660
Total recognised gains and losses relating to the year	<u>203,694</u>	<u>120,660</u>
Prior year adjustment (see note 6)	<u>95,076</u>	
Total gains and losses recognised since the last annual report	<u>298,770</u>	

The notes on pages 8 to 14 form part of these financial statements.

F H HARVEY & SONS (DECORATORS) LIMITED

BALANCE SHEET

30 NOVEMBER 2005

	Note	2005 £	2004 (restated) £
FIXED ASSETS			
Tangible assets	7	240,509	62,437
CURRENT ASSETS			
Debtors	8	651,967	372,992
Investments	9	500	500
Cash at bank		500,389	684,431
		<u>1,152,856</u>	<u>1,057,923</u>
CREDITORS: Amounts falling due within one year	10	<u>873,088</u>	<u>703,777</u>
NET CURRENT ASSETS		279,768	354,146
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>520,277</u>	<u>416,583</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	2,300	2,300
		<u>517,977</u>	<u>414,283</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	600	600
Profit and loss account	15	517,377	413,683
SHAREHOLDERS' FUNDS		<u>517,977</u>	<u>414,283</u>

The Balance sheet continues on the following page.

The notes on pages 8 to 14 form part of these financial statements.

F H HARVEY & SONS (DECORATORS) LIMITED

BALANCE SHEET *(continued)*

30 NOVEMBER 2005

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 25 September 2006 and are signed on their behalf by:

A J HARVEY



The notes on pages 8 to 14 form part of these financial statements.

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Property	- not depreciated contrary to FRS15
Plant and machinery	- 15% reducing balance basis
Fixtures, fittings and equipment	- 15% reducing balance basis
Motor vehicles	- 25% reducing balance basis

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005	2004 <i>(restated)</i>
	£	£
Staff pension contributions	6,546	—
Depreciation of owned fixed assets	12,980	13,738
Loss/(Profit) on disposal of fixed assets	<u>3,974</u>	<u>(2,449)</u>

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

3. DIRECTORS' EMOLUMENTS

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

	2005	2004 (restated)
	£	£
Aggregate emoluments	71,397	428,000
Value of company pension contributions to money purchase schemes	30,000	15,000
	<u>101,397</u>	<u>443,000</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004 (restated)
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2005	2004 (restated)
	£	£
Amount written off investments	<u>-</u>	<u>325</u>

5. TAXATION ON ORDINARY ACTIVITIES

	2005	2004 (restated)
	£	£
Current tax:		
UK Corporation tax based on the results for the year	53,793	89,041
Over/under provision in prior year	15,014	-
Total current tax	<u>68,807</u>	<u>89,041</u>

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

6. PRIOR YEAR ADJUSTMENT

The accounts have been restated to incorporate the impact of UITF Abstract 40 issued by the ASB. This change sets rules for accounting for revenue from service contracts. In the majority of cases, revenue from service contracts will now need to be accounted for under what is known as the 'stage of completion' method. In very simple terms, this means that if a contract is 75% complete at the year end, then the supplier of services would include 75% of the value of the contract in its accounts. The previous accounting treatment recognised the amounts as work in progress at the lower of cost or net realisable value. The change has resulted in profits available for distribution increasing after tax by £95,076.

Summary of prior year accounting impact:

Reduction in work in progress £200,980, Increase in debtors - Amounts due under contracts £334,965, Increase in creditors - Corporation tax £38,909, Prior year adjustment - Increase in distributable profits £95,076.

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant & Fixtures, fittings Machinery and equipment £	£	Motor Vehicles £	Total £
COST					
At 1 December 2004	7,660	4,982	18,163	76,774	107,579
Additions	180,000	—	7,734	15,293	203,027
Disposals	(7,660)	—	(502)	(10,562)	(18,724)
At 30 November 2005	<u>180,000</u>	<u>4,982</u>	<u>25,395</u>	<u>81,505</u>	<u>291,882</u>
DEPRECIATION					
At 1 December 2004	3,830	1,880	9,975	29,457	45,142
Charge for the year	—	465	2,355	10,160	12,980
On disposals	(3,830)	—	(279)	(2,640)	(6,749)
At 30 November 2005	<u>—</u>	<u>2,345</u>	<u>12,051</u>	<u>36,977</u>	<u>51,373</u>
NET BOOK VALUE					
At 30 November 2005	<u>180,000</u>	<u>2,637</u>	<u>13,344</u>	<u>44,528</u>	<u>240,509</u>
At 30 November 2004	<u>3,830</u>	<u>3,102</u>	<u>8,188</u>	<u>47,317</u>	<u>62,437</u>

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

8. DEBTORS

	2005	2004 (restated)
	£	£
Trade debtors	640,177	347,182
Corporation tax recoverable	10,696	25,810
Other debtors	1,094	—
	<u>651,967</u>	<u>372,992</u>

9. INVESTMENTS

	2005	2004 (restated)
	£	£
Other investments	<u>500</u>	<u>500</u>

10. CREDITORS: Amounts falling due within one year

	2005	2004 (restated)
	£	£
Bank loans and overdrafts	131,031	—
Trade creditors	79,053	31,731
Corporation tax	92,702	89,041
Other taxation and social security	219,311	334,443
Other creditors	350,991	248,562
	<u>873,088</u>	<u>703,777</u>

11. PENSIONS

The company operates defined contribution pension schemes in respect of the directors and employees. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £36,546 (2004:£15,000).

12. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £2,300.

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

12. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005	2004 <i>(restated)</i>
	£	£
Excess of taxation allowances over depreciation on fixed assets	2,300	2,300
	<u>2,300</u>	<u>2,300</u>

13. RELATED PARTY TRANSACTIONS

The company was under the control of A J Harvey and D Harvey throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under the FRSSE.

14. SHARE CAPITAL

Authorised share capital:

	2005	2004 <i>(restated)</i>
	£	£
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

Allotted, called up and fully paid:

	2005		2004
	No	£	No
Ordinary shares of £1 each	<u>600</u>	<u>600</u>	<u>600</u>
			<u>£</u>
			<u>600</u>

F H HARVEY & SONS (DECORATORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

15. PROFIT AND LOSS ACCOUNT

	2005	2004 (restated)
	£	£
Balance brought forward as previously reported	318,607	393,023
Prior year adjustment (note 6)	<u>95,076</u>	<u>—</u>
Balance brought forward restated	413,683	393,023
Retained profit for the financial year	<u>103,694</u>	<u>20,660</u>
Balance carried forward	<u>517,377</u>	<u>413,683</u>