

STATUTORY COPY

THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2003

 **Hacker
Young**
Chartered Accountants



THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

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Chartered Accountants

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THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 May 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Hacker Young

28 April 2004

Chartered Accountants
Registered Auditors

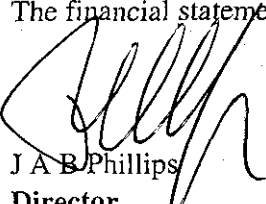
THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	2	86,617		87,187	
Investments	2	204,500		204,500	
		<u>291,117</u>		<u>291,687</u>	
Current assets					
Debtors		216,249		103,950	
Cash at bank and in hand		144,731		75,159	
		<u>360,980</u>		<u>179,109</u>	
Creditors: amounts falling due within one year		<u>(1,101,850)</u>		<u>(954,922)</u>	
Net current liabilities		<u>(740,870)</u>		<u>(775,813)</u>	
Total assets less current liabilities		<u>(449,753)</u>		<u>(484,126)</u>	
Creditors: amounts falling due after more than one year		<u>(160,000)</u>		<u>(160,000)</u>	
		<u>(609,753)</u>		<u>(644,126)</u>	
Capital and reserves					
Called up share capital	3	100		100	
Profit and loss account		<u>(609,853)</u>		<u>(644,226)</u>	
Shareholders' funds - equity interests		<u>(609,753)</u>		<u>(644,126)</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 28 April 2004


J A B Phillips
Director

THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2003

1 Accounting Policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Notwithstanding that the company has an overall deficiency in net assets of £609,753 (2002: £644,126), the financial statements have been prepared on a going concern basis for the following reasons:

Included within other loans (note 11) is an amount of £160,000 payable to the Guild of Master Craftsmen Services Pension Scheme. The directors have negotiated with the Trustees to defer the payments until 31st May 2004. Thereafter the loan will be repaid in equal monthly instalments of £2,667 over five years.

Included in other creditors (note 10) is an amount of £106,570 payable to the estate of A E Phillips (deceased) and £113,900 payable to related parties of which J A B Phillips and J A J Phillips are the directors. In addition, included in other creditors is an amount of £390,000 payable to Guild Private Retirement Trust of which the company and prior to his death Mr A E Phillips are trustees. The directors of the company are confident that these amounts will not be called for payment within twelve months from the balance sheet date. In the opinion of the directors, after taking into account the above liabilities, the company has adequate working capital to meet its requirements for the forthcoming twelve months.

1.2 Turnover

Turnover represents the total fees received and promotional material sold excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold properties	2% straight line
Computer equipment	33% straight line
Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Pensions

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable.

THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

1 Accounting policies

(continued)

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Income recognition

Income from subscriptions is recognised on the basis of the period to which they relate.

2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
Cost			
At 1 June 2002	393,738	409,000	802,738
Additions	38,410	-	38,410
Disposals	(8,295)	-	(8,295)
At 31 May 2003	423,853	409,000	832,853
Depreciation			
At 1 June 2002	306,551	204,500	511,051
On disposals	(5,944)	-	(5,944)
Charge for the year	36,629	-	36,629
At 31 May 2003	337,236	204,500	541,736
Net book value			
At 31 May 2003	86,617	204,500	291,117
At 31 May 2002	87,187	204,500	291,687

The company holds 100% of the preference shares of ECR (Insurance Services) Limited, a company registered in England and Wales. The net assets of ECR (Insurance Services) Limited, as per the draft accounts, amounted to £366,540 (2002: £260,015) and the company made a net profit of £106,524 (2002: £80,874) during the year ended 31 May 2003.

THE GUILD OF MASTER CRAFTMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2003

3	Share capital	2003 £	2002 £
	Authorised		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

4 Ultimate parent company

During the beginning of the year, the ultimate controlling party was Mr A E Phillips, a director of the company. Since 14 August 2002 control was passed to the Estate of Mr A E Phillips (deceased), husband of Mrs J Phillips and father of Miss J A B Phillips and Mr J A J Phillips, all of whom are directors of the company.