

Company Registration No. 1246837 (England and Wales)

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2000

COMPANIES HOUSE COPY

 **Hacker
Young**
Chartered Accountants



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THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

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THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2000

The directors present their report and financial statements for the year ended 31 May 2000.

Principal activities and review of the business

The principal activity of the company continued unchanged as that of providing and supplying membership services and facilities required by or in connection with The Guild of Master Craftsmen .

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the directors the market value of freehold properties is approximately equal to the net book value of £212,521.

Directors

The following directors have held office since 1 June 1999:

A E Phillips
Mrs J Phillips
J E Owen
J Foley

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 May 2000	1 June 1999
A E Phillips	99	99
Mrs J Phillips	1	1
J E Owen	-	-
J Foley	-	-

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

Hacker Young were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

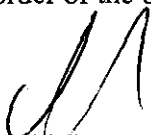
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2000

Directors' responsibilities

Directors are required by the Companies Act 1985 to prepare accounts for each financial year 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 the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

By order of the board



A E Phillips

Director

17 July 2001

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

**AUDITORS' REPORT TO THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 May 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 section 246A(3) 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 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 section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.



Hacker Young

17 July 2001

Chartered Accountants
Registered Auditor

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2000

	Notes	2000 £	1999 £
Gross profit		947,374	1,047,761
Administrative expenses		(858,507)	(1,061,686)
Other operating income		8,734	6,950
		<hr/>	<hr/>
Operating profit/(loss)	2	97,601	(6,975)
		-	-
Other interest receivable and similar income	3	13,680	10,917
Interest payable and similar charges	4	(49,561)	(53,302)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		61,720	(49,360)
Tax on profit/(loss) on ordinary activities	5	(10,742)	(2,238)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation	13	50,978	(51,598)
		<hr/>	<hr/>


THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6	393,292		461,552	
Investments	7	204,500		204,500	
		<u>597,792</u>		<u>666,052</u>	
Current assets					
Debtors	8	258,227		227,582	
Cash at bank and in hand		147,768		53,441	
		<u>405,995</u>		<u>281,023</u>	
Creditors: amounts falling due within one year	9	<u>(463,550)</u>		<u>(617,816)</u>	
Net current liabilities		<u>(57,555)</u>		<u>(336,793)</u>	
Total assets less current liabilities		<u>540,237</u>		<u>329,259</u>	
Creditors: amounts falling due after more than one year	10	<u>(385,000)</u>		<u>(225,000)</u>	
		<u>155,237</u>		<u>104,259</u>	
Capital and reserves					
Called up share capital	12	100		100	
Profit and loss account	13	155,137		104,159	
Shareholders' funds	17	<u>155,237</u>		<u>104,259</u>	

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

The financial statements were approved by the board on 17 July 2001


A E Phillips
Director

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2000

	Notes	2000 £	1999 £
Net cash inflow from operating activities	14	150,777	40,733
Returns on investments and servicing of finance			
Interest received	13,680	10,917	
Interest paid	(49,561)	(53,302)	
Net cash outflow for returns on investments and servicing of finance		(35,881)	(42,385)
Taxation		(7,190)	(14,009)
Capital expenditure			
Payments to acquire tangible assets	(23,377)	(103,578)	
Receipts from sales of tangible assets	9,998	20,089	
Net cash outflow for capital expenditure		(13,379)	(83,489)
Net cash inflow/(outflow) before management of liquid resources and financing		94,327	(99,150)
Increase/(decrease) in cash in the year	15	94,327	(99,150)

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention.

The comparative figures have been restated in respect of cost of sales and long-term liabilities in order to be consistent with the accounting bases used this year.

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 other than freehold land 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
Equipment	25% reducing balance
Fixtures & fittings	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.

2	Operating profit/(loss)	2000 £	1999 £
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	88,283	125,990
	Operating lease rentals	88,205	96,001
	Auditors' remuneration	20,678	22,650
		<u> </u>	<u> </u>
3	Other interest receivable and similar income	2000 £	1999 £
	Bank interest	13,680	10,917
		<u> </u>	<u> </u>

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

4	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	49,561	53,302
		<u>49,561</u>	<u>53,302</u>
5	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 21%)	18,142	2,238
	Prior years		
	U.K. corporation tax	(7,400)	-
		<u>10,742</u>	<u>2,238</u>

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

6 Tangible fixed assets

	Freehold Properties £	Computer equipment £	Equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 June 1999	244,141	127,412	242,201	86,311	118,421	818,486
Additions	-	17,719	5,299	359	-	23,377
Disposals	-	-	-	-	(25,142)	(25,142)
At 31 May 2000	244,141	145,131	247,500	86,670	93,279	816,721
Depreciation						
At 1 June 1999	26,737	84,104	135,656	48,723	61,714	356,934
On disposals	-	-	-	-	(21,788)	(21,788)
Charge for the year	4,883	32,614	27,961	9,487	13,338	88,283
At 31 May 2000	31,620	116,718	163,617	58,210	53,264	423,429
Net book value						
At 31 May 2000	212,521	28,413	83,883	28,460	40,015	393,292
At 31 May 1999	217,404	43,308	106,545	37,588	56,707	461,552

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 June 1999 & at 31 May 2000	204,500

The company holds 100 % of the preference shares of ECR Insurance Services Limited.

8 Debtors

	2000 £	1999 £
Trade debtors	4,749	1,131
ACT recoverable	4,588	9,840
Other debtors	239,964	201,460
Prepayments and accrued income	8,926	15,151
	258,227	227,582

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

9 Creditors: amounts falling due within one year	2000	1999
	£	£
Trade creditors	139,491	93,082
Corporation tax	12,890	14,590
Other taxes and social security costs	54,911	51,483
Directors' current accounts	75,710	-
Other creditors	55,547	230,665
Accruals and deferred income	125,001	227,996
	<u>463,550</u>	<u>617,816</u>
Debt due in one year or less	<u>-</u>	<u>160,000</u>
10 Creditors: amounts falling due after more than one year	2000	1999
	£	£
Other loans	<u>385,000</u>	<u>225,000</u>
Analysis of loans		
Wholly repayable within five years	<u>385,000</u>	<u>385,000</u>
	385,000	385,000
Included in current liabilities	<u>-</u>	<u>(160,000)</u>
	<u>385,000</u>	<u>225,000</u>
Loan maturity analysis		
In more than one year but not more than two years	225,000	-
In more than two years but not more than five years	<u>160,000</u>	<u>225,000</u>

11 Pension costs

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £10,000 (1999 - £500).

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

12 Share capital	2000	1999
	£	£
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>
13 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 June 1999		104,159
Retained profit for the year		<u>50,978</u>
Balance at 31 May 2000		<u>155,137</u>
14 Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2000	1999
	£	£
Operating profit/(loss)	97,601	(6,975)
Depreciation of tangible assets	88,283	125,990
(Profit)/loss on disposal of tangible assets	(6,644)	3,258
(Increase)/decrease in debtors	(35,897)	42,476
Increase/(decrease) in creditors within one year	<u>7,434</u>	<u>(124,016)</u>
Net cash inflow from operating activities	<u>150,777</u>	<u>40,733</u>
15 Analysis of net debt	1 June 1999	Cash flow 31 May 2000
	£	£
Net cash:		
Cash at bank and in hand	<u>53,441</u>	<u>94,327</u>
Debt:		
Debts falling due within one year	(160,000)	160,000
Debts falling due after one year	<u>(225,000)</u>	<u>(385,000)</u>
Net debt	<u>(331,559)</u>	<u>(237,232)</u>

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

16 Reconciliation of net cash flow to movement in net debt	2000	1999
	£	£
Increase/(decrease) in cash in the year	94,327	(99,150)
Movement in net debt in the year	94,327	(99,150)
Opening net debt	(331,559)	(232,409)
Closing net debt	<u>(237,232)</u>	<u>(331,559)</u>
17 Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Profit/(Loss) for the financial year	50,978	(51,598)
Opening shareholders' funds	104,259	155,857
Closing shareholders' funds	<u>155,237</u>	<u>104,259</u>

18 Financial commitments

At 31 May 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiry date:				
Between two and five years	-	-	5,150	1,724
In over five years	97,500	97,500	-	-
	<u>97,500</u>	<u>97,500</u>	<u>5,150</u>	<u>1,724</u>

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Management	5	5
Administration	46	47
	<u>51</u>	<u>52</u>

Employment costs

	£	£
Wages and salaries	927,769	978,958
Social security costs	86,272	85,318
Other pension costs	10,000	500
	<u>1,024,041</u>	<u>1,064,776</u>

THE GUILD OF MASTER CRAFTSMEN SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2000

20 Related party transactions

During the year, the company was charged rent of £105,000 by GMC Services Pension Scheme, a scheme of which the Phillips family are trustees. £10,200 and £12,000 of this sum were subsequently recharged to ECR (Insurance Services) Limited and ECR Financial Services Limited respectively for the use of office facilities.

A E Phillips and Mrs J Phillips are directors of Guild of Master Craftsman Publications Limited which, during the year, provided publication services to the sum of £230,775 and company's facilities to the sum of £3,000 per month, increasing to £4,000 from February 2000.

The company paid £36,000 to ECR (Insurance Services) Limited for insurance services and £33,000 to ECR Financial Services Limited for financial services, provided as membership facilities to the company's customers.

GMC Services Pension Scheme and Guild Private Retirement Trust charged interest of £32,738 for the year on loans previously provided to the company of £385,000.

At the year end, amounts owed by related companies were as follows: £3,741 from Guild of Master Craftsmen (International) Limited, £138,155 from ECR (Holdings) Limited, £89,534 from Craftsmans Insurance Services Limited and £8,534 from Guild of Master Craftsman Publications Limited.

At the year end, amounts owed to related companies (excluding loans) were as follows: £324 to Guild of Master Craftsmen Limited, £8,429 to ECR (Insurance Services) Limited and £14,671 to ECR Financial Services Limited.

The directors consider that all of the above transactions were made at arms length. The controlling shareholder is Mr A E Phillips who holds 99% of the issued ordinary shares.