

SHARROCKS (LONDON) LIMITED
(Company Number 2489316)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30th APRIL 2000



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SHARROCKS (LONDON) LIMITED

30th APRIL 2000

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SHARROCKS (LONDON) LIMITED

COMPANY INFORMATION

Directors

G. Greenhalgh

G.R. Greenhalgh

T.A. Jones

Secretary

G. Greenhalgh

Registered office

229 Spotland Road,
Rochdale,
Lancashire.
OL12 7AQ.

Auditors

A.R. Dobell & Co.,
Chartered Accountants,
13 Hyde Road,
Denton,
Manchester.
M34 3AF.

SHARROCKS (LONDON) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 30th April 2000.

ACTIVITIES

The company carries on the business of painting, decorating and building contractors. Business has now been under the same family ownership since 1905. The London office has traded continuously since its establishment in 1950.

REVIEW OF THE BUSINESS

The market place remains highly competitive.

RESULTS AND DIVIDENDS

The results for the year are set out in detail on page 6. The directors do not recommend payment of a dividend, leaving £1,099 to be added to reserves.

FIXED ASSETS

Tangible fixed asset movements are disclosed in note 4 to the financial statements.

DIRECTORS

The directors at the date of this report are shown on page 2.

Mr. G. Greenhalgh retires by rotation and, being eligible, offers himself for re-election.

The directors' interests in the £1 ordinary shares of the company were as follows:

Ordinary shares of £1 each		30 th April 2000	30 th April 1999
G. Greenhalgh		Nil	Nil
G.R. Greenhalgh	- beneficial	20,000	20,000
	- non beneficial	2,000	2,000
T.A. Jones		Nil	Nil

AUDITORS

A.R. Dobell & Co., Chartered Accountants, have expressed their willingness to continue in office. A resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

SHARROCKS (LONDON) LIMITED

REPORT OF THE DIRECTORS
(Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

GERALD GREENHALGH



Secretary

229 Spotland Road,
Rochdale,
Lancashire.
OL12 7AQ.

18th December 2000

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
SHARROCKS (LONDON) LIMITED**

We have audited the financial statements on pages 6 to 11 which have been prepared on the basis of the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 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 financial 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 made 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 affairs of the company at 30th April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


A.R. DOBELL & CO.

Chartered Accountants
and Registered Auditor

13 Hyde Road,
Denton,
Manchester.
M34 3AF.

18th December 2000

SHARROCKS (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th APRIL 2000

	Note	2000 £	1999 £
INVOICED SALES	1(b)	760,318	1,375,615
Increase/(decrease) in work in progress		648,940	(149,697)
WORK DONE		1,409,258	1,225,918
Cost of sales		(1,174,383)	(1,006,885)
GROSS PROFIT		234,875	219,033
Administrative expenses		(242,236)	(236,623)
Bank interest payable		(268)	(797)
Bank interest receivable		9,324	13,231
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,695	(5,156)
Tax on results of ordinary activities	3	(596)	600
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION		1,099	(4,556)
Retained profit brought forward		316,827	321,383
RETAINED PROFIT CARRIED FORWARD		317,926	316,827

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those disclosed above.

SHARROCKS (LONDON) LIMITED

BALANCE SHEET - 30th APRIL 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	4	18,929	24,796
CURRENT ASSETS			
Stock and work in progress	5	172,165	127,421
Debtors	6	46,720	48,600
Cash at bank and in hand		243,574	235,603
		<u>462,459</u>	<u>411,624</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft		8,129	20,675
Trade creditors		20,778	10,471
Excess cash received against work in progress		20,102	6,031
Other creditors	7	80,853	48,816
		<u>129,862</u>	<u>85,993</u>
NET CURRENT ASSETS		<u>332,597</u>	<u>325,631</u>
NET ASSETS		<u>351,526</u>	<u>350,427</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	8	33,600	33,600
RESERVES			
Profit and loss account		317,926	316,827
		<u>351,526</u>	<u>350,427</u>

Approved by the board on 18th December 2000
and signed on its behalf by:

GERALD RODNEY GREENHALGH - Director



SHARROCKS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30th APRIL 2000

1. ACCOUNTING POLICIES

a) Convention

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. In view of its size the company is not required to publish a cash flow statement. The principal accounting policies which the directors have adopted within the convention are set out below.

b) Turnover

Turnover represents the invoiced value of goods sold to third parties, excluding valued added tax.

c) Depreciation

Motor vehicles are depreciated at 33 $\frac{1}{3}$ % per annum on a written down value basis.

d) Work in progress

Current work in progress is stated at the lower of cost and net realisable value.

Cost comprises raw materials, direct labour and attributable overheads.

Net realisable value comprises estimated selling price less further costs expected to be incurred on completion.

Completed work in progress is stated at the lower of cost and net realisable value except in cases where the final account is in negotiation. In these instances a proportion of the minimum recognisable profit is included in the valuation.

Current contracts containing more than 12 months actual work are treated as long term contracts and are valued as such in accordance with Statement of Standard Accounting Practice No.9. At 30th April 2000 there were three contracts valued on this basis.

e) Pension scheme

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are managed independently of the finances of the company. The costs thereof are written off to revenue as incurred.

f) Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis.

SHARROCKS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30th APRIL 2000

(Continued)

**2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES
BEFORE TAXATION**

	2000	1999
	£	£
is arrived at after charging/(crediting):		
Auditors' remuneration	1,600	1,500
Depreciation	9,463	12,398
Directors' remuneration	51,239	46,967
Profit on sale of fixed assets	(1,596)	(1,014)

3. TAX ON RESULTS OF ORDINARY ACTIVITIES

	2000	1999
	£	£
Corporation tax at 20% (1999 - 21%)	1,000	-
Overprovision in earlier years	(404)	(600)
	596	(600)

4. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>
	£
COST	
1 st May 1999	69,584
Additions	5,000
Disposals	(3,159)
	71,425
30 th April 2000	71,425
DEPRECIATION	
1 st May 1999	44,788
Charged	9,463
Disposals	(1,755)
	52,496
30 th April 2000	52,496
NET BOOK VALUE	
30 th April 2000	18,929
30 th April 1999	24,796

SHARROCKS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30th APRIL 2000

(Continued)

4. TANGIBLE ASSETS (Continued)

CAPITAL COMMITMENTS	2000	1999
	£	£
Contracted for but not provided in the financial statements	Nil	Nil
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5. WORK IN PROGRESS

	2000	1999
	£	£
Work in progress	2,348,341	1,699,401
Less: Payments on account	(2,176,176)	(1,571,980)
	<hr/>	<hr/>
	172,165	127,421
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6. DEBTORS

	2000	1999
	£	£
Amounts due from connected companies	45,930	47,811
Other debtors	790	789
	<hr/>	<hr/>
	46,720	48,600
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7. OTHER CREDITORS

	2000	1999
	£	£
Corporation tax	1,000	-
Other taxes and social security	74,725	44,069
Accruals	5,128	4,747
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	80,853	48,816
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SHARROCKS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30th APRIL 2000
(Continued)

8. SHARE CAPITAL	2000	1999
	£	£
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Issued and fully paid	_____	_____
33,600 Ordinary shares of £1 each	33,600	33,600
	_____	_____

9. RELATED PARTIES

Management charges paid by the company to Arnold Sharrocks Limited amounted to £61,137 in the year (1999 - £61,355).