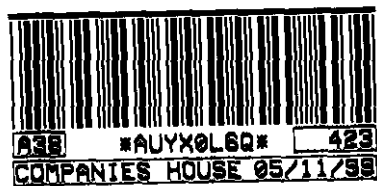


SHARROCKS (LONDON) LIMITED  
(Company Number 2489316)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30<sup>th</sup> APRIL 1999



SHARROCKS (LONDON) LIMITED

30<sup>th</sup> APRIL 1999

CONTENTS

	Page
Company information	2
Report of the directors	3 - 4
Report of the auditors	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 11

**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 30<sup>th</sup> April 1999.

### 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 £4,556 to be deducted from 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. T.A. Jones 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 <sup>th</sup> April 1999	30 <sup>th</sup> April 1998
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)

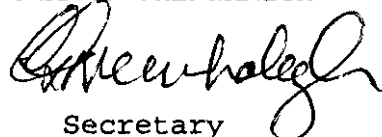
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

3rd November 1999

**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.

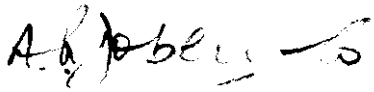
**BASIS OF OPINION**

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 30<sup>th</sup> April 1999 and of its loss 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.

3rd November 1999

# SHARROCKS (LONDON) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30<sup>th</sup> APRIL 1999

	Note	1999 £	1998 £
INVOICED SALES	1(b)	1,375,615	687,277
(Decrease)/increase in work in progress		(149,697)	813,360
WORK DONE		1,225,918	1,500,637
Cost of sales		(1,006,885)	(1,283,094)
GROSS PROFIT		219,033	217,543
Administrative expenses		(236,623)	(230,769)
Bank interest payable		(797)	(259)
Bank interest receivable		13,231	18,259
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(5,156)	4,774
Tax on results of ordinary activities	3	600	(974)
(LOSS)/PROFIT FOR THE YEAR AFTER TAXATION		(4,556)	3,800
Retained profit brought forward		321,383	317,583
RETAINED PROFIT CARRIED FORWARD		316,827	321,383

### 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 the loss for the year ended 30<sup>th</sup> April 1999 and the profit for the year ended 30<sup>th</sup> April 1998.

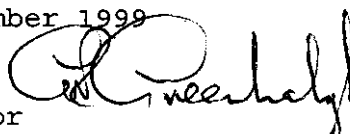
**SHARROCKS (LONDON) LIMITED**

**BALANCE SHEET - 30<sup>th</sup> APRIL 1999**

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	4	24,796	37,457
<b>CURRENT ASSETS</b>			
Stock and work in progress	5	127,421	268,469
Debtors	6	48,600	52,589
Cash at bank and in hand		235,603	152,542
		<u>411,624</u>	<u>473,600</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Bank overdraft		20,675	5,321
Trade creditors		10,471	34,163
Excess cash received against work in progress		6,031	36,965
Other creditors	7	48,816	79,625
		<u>85,993</u>	<u>156,074</u>
<b>NET CURRENT ASSETS</b>		325,631	317,526
<b>NET ASSETS</b>		<u>350,427</u>	<u>354,983</u>
<b>CAPITAL AND RESERVES</b>			
<b>CALLED UP SHARE CAPITAL</b>	8	33,600	33,600
<b>RESERVES</b>			
Profit and loss account		316,827	321,383
		<u>350,427</u>	<u>354,983</u>

Approved by the board on 3rd November 1999  
and signed on its behalf by:

GERALD RODNEY GREENHALGH - Director



**SHARROCKS (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**30<sup>th</sup> APRIL 1999**

**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 30<sup>th</sup> April 1999 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**

**30<sup>th</sup> APRIL 1999**

(Continued)

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

	1999 £	1998 £
is arrived at after charging:		
Auditors' remuneration	1,500	1,500
Depreciation	12,398	18,728
Directors' remuneration	46,967	39,980
	<hr/>	<hr/>
and after crediting:		
Profit on sale of fixed assets	1,014	7,691
	<hr/>	<hr/>

**3. TAX ON RESULTS OF ORDINARY ACTIVITIES**

	1999 £	1998 £
Corporation tax recoverable at 21% (1998 - 21%)	-	2,000
Overprovision in earlier years	(600)	(1,026)
	<hr/>	<hr/>
	(600)	974
	<hr/>	<hr/>

**4. TANGIBLE FIXED ASSETS**

	<u>Motor Vehicles</u> £
<b>COST</b>	
1 <sup>st</sup> May 1998	76,323
Additions	-
Disposals	(6,739)
	<hr/>
30 <sup>th</sup> April 1999	69,584
	<hr/>
<b>DEPRECIATION</b>	
1 <sup>st</sup> May 1998	38,866
Charged	12,398
Disposals	(6,476)
	<hr/>
30 <sup>th</sup> April 1999	44,788
	<hr/>
<b>NET BOOK VALUE</b>	
30 <sup>th</sup> April 1999	24,796
	<hr/>
30 <sup>th</sup> April 1998	37,457
	<hr/>

SHARROCKS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30<sup>th</sup> APRIL 1999

(Continued)

4. TANGIBLE ASSETS (Continued)

CAPITAL COMMITMENTS	1999 £	1998 £
Contracted for but not provided in the financial statements	Nil	Nil

5. WORK IN PROGRESS

	1999 £	1998 £
Work in progress	1,699,401	1,849,098
Less: Payments on account	(1,571,980)	(1,580,629)
	<u>127,421</u>	<u>268,469</u>

6. DEBTORS

	1999 £	1998 £
Amounts due from connected companies	47,811	52,238
Other debtors	789	351
	<u>48,600</u>	<u>52,589</u>

7. OTHER CREDITORS

	1999 £	1998 £
Corporation tax	-	2,000
Other taxes and social security	44,069	73,096
Accruals	4,747	4,529
	<u>48,816</u>	<u>79,625</u>

SHARROCKS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30<sup>th</sup> APRIL 1999  
(Continued)

8. SHARE CAPITAL	1999 £	1998 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Issued and fully paid	<hr/>	<hr/>
33,600 Ordinary shares of £1 each	33,600	33,600
	<hr/>	<hr/>

9. RELATED PARTIES

Management charges paid by the company to Arnold Sharrocks Limited amounted to £61,355 in the year (1998 - £70,261).