

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000
FOR
GEO COLLINS (ENGINEERS) LIMITED



GEO COLLINS (ENGINEERS) LIMITED

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FOR THE YEAR ENDED 31 MAY 2000**

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GEO COLLINS (ENGINEERS) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2000**

DIRECTORS: D R Collins
R G Collins

SECRETARY: R G Collins

REGISTERED OFFICE: Herstmonceux Service Station
Herstmonceux
Hailsham
East Sussex
BN27 4JU

REGISTERED NUMBER: 803821 (England and Wales)

AUDITORS: Baker Tilly
Chartered Accountants
Registered Auditors
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

GEO COLLINS (ENGINEERS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2000

The directors present their report with the financial statements of the company for the year ended 31 May 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of garage proprietors.

REVIEW OF THE BUSINESS

The directors consider the results for the year to be satisfactory and anticipate similar results in future years.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £70,550.

DIRECTORS

The directors during the year under review were:

A J Collins	- resigned 31.3.00
D R Collins	
R G Collins	

The beneficial interests of the directors holding office on 31 May 2000 in the issued share capital of the company were as follows:

	31.5.00	1.6.99
Ordinary £1 shares		
D R Collins	967	1,667
R G Collins	1,067	1,667

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 those financial statements, the directors are required to

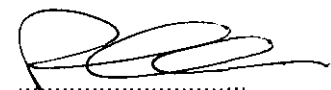
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

The auditors, Baker Tilly, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the Board:



R G Collins - SECRETARY

Dated: *15 January 2001*

GEO COLLINS (ENGINEERS) LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
GEO COLLINS (ENGINEERS) LIMITED**

We have audited the financial statements on pages four to fourteen.

Respective responsibilities of directors and auditors

As described on page two 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 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 the company's affairs as at 31 May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Baker Tilly
Chartered Accountants
Registered Auditors
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

Dated: 23/1/2001

GEO COLLINS (ENGINEERS) LIMITED

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

		<u>2000</u>	<u>1999</u>
	Notes	£	£
TURNOVER		7,961,512	8,331,604
Cost of sales		<u>7,249,066</u>	<u>7,660,729</u>
GROSS PROFIT		712,446	670,875
Other operating expenses (net)	3	<u>614,136</u>	<u>587,427</u>
OPERATING PROFIT	4	98,310	83,448
Interest receivable and similar income		<u>3,052</u>	<u>1,508</u>
		101,362	84,956
Interest payable and similar charges	5	<u>10,195</u>	<u>12,992</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		91,167	71,964
Tax on profit on ordinary activities	6	<u>20,617</u>	<u>16,775</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	14	<u><u>70,550</u></u>	<u><u>55,189</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

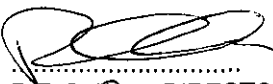
GEO COLLINS (ENGINEERS) LIMITED

BALANCE SHEET
31 MAY 2000

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		65,753		84,154
CURRENT ASSETS:					
Stocks	8	1,200,745		891,968	
Debtors	9	158,767		168,306	
Cash at bank		<u>140,835</u>		<u>278,780</u>	
		1,500,347		1,339,054	
CREDITORS: Amounts falling due within one year	10	<u>638,972</u>		<u>541,636</u>	
NET CURRENT ASSETS:			<u>861,375</u>		<u>797,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			927,128		881,572
CREDITORS: Amounts falling due after more than one year	11		<u>109,636</u>		<u>4,630</u>
			<u>£817,492</u>		<u>£876,942</u>
CAPITAL AND RESERVES:					
Called up share capital	12		3,834		5,000
Capital redemption reserve	13		1,166		-
Profit and loss account	14		<u>812,492</u>		<u>871,942</u>
SHAREHOLDERS' FUNDS:	15		<u>£817,492</u>		<u>£876,942</u>

ON BEHALF OF THE BOARD:

.....
R G Collins - DIRECTOR


.....
D R Collins - DIRECTOR

Approved by the Board on *15 January 2001*

GEO COLLINS (ENGINEERS) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2000**

		<u>2000</u>	<u>1999</u>
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(88,242)	75,490
Returns on investments and servicing of finance	2	(7,143)	(11,484)
Taxation		(16,917)	(25,250)
Capital expenditure	2	<u>(3,595)</u>	<u>(4,071)</u>
		(115,897)	34,685
Financing	2	<u>(22,048)</u>	<u>(8,318)</u>
(Decrease)/Increase in cash in the period		<u>£(137,945)</u>	<u>£26,367</u>

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2000**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	98,310	83,448
Depreciation charges	25,000	25,749
Loss on sale of fixed assets	241	-
Profit on sale of fixed assets	-	(463)
(Increase)/Decrease in stocks	(308,777)	164,118
Decrease/(Increase) in debtors	9,539	(39,325)
Increase/(Decrease) in creditors	<u>87,445</u>	<u>(158,037)</u>
Net cash (outflow)/inflow from operating activities	<u>(88,242)</u>	<u>75,490</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	3,052	1,508
Interest paid	(8,077)	(9,988)
Interest element of hire purchase or finance lease rentals payments	<u>(2,118)</u>	<u>(3,004)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(7,143)</u>	<u>(11,484)</u>
Capital expenditure		
Purchase of tangible fixed assets	(5,595)	(4,871)
Sale of tangible fixed assets	<u>2,000</u>	<u>800</u>
Net cash outflow for capital expenditure	<u>(3,595)</u>	<u>(4,071)</u>
Financing		
Shareholders' loan	115,000	-
Capital element of hire purchase or finance leases	(7,048)	(8,318)
Purchase of own shares	<u>(130,000)</u>	<u>-</u>
Net cash outflow from financing	<u>(22,048)</u>	<u>(8,318)</u>

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2000**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.99 £	Cash flow £	Non-cash movements £	At 31.5.00 £
Net cash:				
Cash at bank	<u>278,780</u>	<u>(137,945)</u>	<u>-</u>	<u>140,835</u>
	<u>278,780</u>	<u>(137,945)</u>	<u>-</u>	<u>140,835</u>
Debt:				
Hire purchase or finance leases	<u>(10,761)</u>	<u>7,048</u>	<u>(3,245)</u>	<u>(6,958)</u>
	<u>(10,761)</u>	<u>7,048</u>	<u>(3,245)</u>	<u>(6,958)</u>
Total	<u>268,019</u>	<u>(130,897)</u>	<u>(3,245)</u>	<u>133,877</u>

Analysed in Balance Sheet	2000 £	1999 £
Cash at bank	140,835	278,780
Hire purchase or finance leases		
within one year	(3,697)	(6,131)
after one year	<u>(3,261)</u>	<u>(4,630)</u>
	<u>133,877</u>	<u>268,01</u>

**4. RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET FUNDS**

	2000 £	1999 £
(Decrease)/Increase in cash in the period	(137,945)	26,367
Cash outflow from decrease in debt and lease financing	<u>7,048</u>	<u>8,318</u>
	(130,897)	34,685
New finance lease	<u>(3,245)</u>	<u>(7,722)</u>
	(134,142)	26,963
Opening net funds	<u>268,019</u>	<u>241,056</u>
Closing net funds	<u>133,877</u>	<u>268,019</u>

GEO COLLINS (ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	- by equal instalments to the year 2003
Plant and machinery	- 15% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company into the director's personal pension schemes.

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	493,576	476,570
Social security costs	54,999	49,812
Other pension costs	65	497
	<u>548,640</u>	<u>526,879</u>

The average monthly number of employees during the year was as follows:

	2000	1999
Office and management	17	17
Production and sales	<u>9</u>	<u>9</u>
	<u>26</u>	<u>26</u>

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

3. OTHER OPERATING EXPENSES (NET)

	2000	1999
Selling and marketing expenses	72,369	73,531
Administrative expenses	468,836	448,295
Establishment expenses	70,728	64,001
Finance charges	12,007	14,061
Other operation income	<u>(9,804)</u>	<u>(12,461)</u>
	<u>614,136</u>	<u>587,427</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2000 £	1999 £
Depreciation - owned assets	20,328	22,341
Depreciation - assets on hire purchase contracts or finance leases	4,672	3,830
Loss/(Profit) on disposal of fixed assets	241	(463)
Auditors' remuneration	<u>2,000</u>	<u>3,700</u>
	<u>98,387</u>	<u>106,562</u>
Directors' emoluments	<u>98,387</u>	<u>106,562</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank interest	148	2,966
Directors loan interest	3,756	4,882
Shareholders loan interest	1,533	-
Honda finance charges	2,640	2,140
Lease finance charges	<u>2,118</u>	<u>3,004</u>
	<u>10,195</u>	<u>12,992</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000 £	1999 £
UK corporation tax	21,200	17,500
Over provided in earlier years	<u>(583)</u>	<u>(725)</u>
	<u>20,617</u>	<u>16,775</u>

UK corporation tax has been charged at 20% (1999 - 21%).

GEO COLLINS (ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000

7. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Computer Equipment	Totals
	£	£	£	£	£	£
COST:						
1 June 1999	173,544	109,051	39,779	34,616	68,968	425,958
Additions	-	7,115	932	-	793	8,840
Disposals	-	(560)	-	(15,181)	-	(15,741)
31 May 2000	173,544	115,606	40,711	19,435	69,761	419,057
DEPRECIATION:						
1 June 1999	131,468	91,000	30,577	26,161	62,598	341,804
Charge for year	10,131	6,985	2,533	1,604	3,747	25,000
Eliminated on disposals	-	(481)	-	(13,019)	-	(13,500)
31 May 2000	141,599	97,504	33,110	14,746	66,345	353,304
NET BOOK VALUE:						
31 May 2000	31,945	18,102	7,601	4,689	3,416	65,753
31 May 1999	42,076	18,051	9,202	8,455	6,370	84,154

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Plant and machinery	Computer equipment	Totals
	£	£	£
NET BOOK VALUE:			
31 May 2000	4,812	2,758	7,570
31 May 1999	3,481	5,516	8,997

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

8. STOCKS

	2000 £	1999 £
Stock	<u>1,200,745</u>	<u>891,968</u>

Included within stock is £220,204 (1999:£170,530) in respect of consignment stock. This is held for 120 days before payment is due. No interest is charged in this period.

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade debtors	106,005	90,504
Other debtors	3,710	7,805
Prepayments & accrued income	<u>49,052</u>	<u>69,997</u>
	<u>158,767</u>	<u>168,306</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Hire purchase & finance leases	3,697	6,131
Trade creditors	421,836	337,403
Corporation tax	21,200	17,500
Social security & other taxes	99,747	86,896
Directors current accounts	46,541	57,929
Other creditors	20,253	6,000
Accruals and deferred income	<u>25,698</u>	<u>29,777</u>
	<u>638,972</u>	<u>541,636</u>

Within trade creditors, £220,204 (1999:£170,530) is secured on the stock of new cars. The finance leases are secured on the relevant fixed assets.

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Hire purchase & finance leases (repayable between two and five years)	3,261	4,630
Other creditors	<u>106,375</u>	<u>-</u>
	<u>109,636</u>	<u>4,630</u>

Other creditors consists of a loan repayable as follows:

Within one year	8,625	-
Between two and five years	46,000	-
Over five years	<u>60,375</u>	<u>-</u>
	115,000	-
Included in current liabilities	<u>(8,625)</u>	<u>-</u>
	<u>106,375</u>	<u>-</u>

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2000 £	1999 £
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2000 £	1999 £
3,834	Ordinary	£1	3,834	5,000
(1999 - 5,000)			<u>3,834</u>	<u>5,000</u>

13. CAPITAL REDEMPTION RESERVE

	2000 £	1999 £
Purchase of own shares	<u>1,166</u>	<u>-</u>

The company repurchased 1166 £1 ordinary shares from A J Collins, a director, for a consideration of £130,000 on 1 October 1999.

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

14. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
1 June 1999	871,942	816,753
Profit for the year	<u>70,550</u>	<u>55,189</u>
Purchase of own shares	942,492 <u>(130,000)</u>	871,942 <u>-</u>
31 May 2000	<u>£812,492</u>	<u>£871,942</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	70,550	55,189
Purchase of own shares	<u>(130,000)</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	(59,450)	55,189
Opening shareholders' funds	<u>876,942</u>	<u>821,753</u>
Closing shareholders' funds	<u>817,492</u>	<u>876,942</u>
Equity interests	<u>817,492</u>	<u>876,942</u>