

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002
FOR
GEO COLLINS (ENGINEERS) LIMITED



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FOR THE YEAR ENDED 31 MAY 2002**

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GEO COLLINS (ENGINEERS) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2002**

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 2002**

The directors present their report with the financial statements of the company for the year ended 31 May 2002.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company achieved increased turnover and net profit compared to the previous year and the directors consider the state of affairs of the company to be satisfactory.

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2002.

DIRECTORS

The directors during the year under review were:

D R Collins
R G Collins

The beneficial interests of the directors holding office on 31 May 2002 in the issued share capital of the company were as follows:

	31.5.02	1.6.01
Ordinary £1 shares		
D R Collins	967	967
R G Collins	1,067	1,067

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.

ON BEHALF OF THE BOARD:



.....
R G Collins - SECRETARY

Dated: 14 August 2002

GEO COLLINS (ENGINEERS) LIMITED

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

We have audited the financial statements of Geo Collins (Engineers) Limited for the year ended 31 May 2002 on pages four to fifteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2002 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: 14 August 2002

GEO COLLINS (ENGINEERS) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2002**

		2002	2001
	Notes	£	£
TURNOVER		9,818,412	9,131,571
Cost of sales		9,084,659	8,530,608
GROSS PROFIT		733,753	600,963
Administrative expenses		619,157	493,759
		114,596	107,204
Other operating income		8,984	6,548
OPERATING PROFIT	3	123,580	113,752
Interest receivable and similar income		8,735	4,234
		132,315	117,986
Interest payable and similar charges	4	16,962	17,175
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		115,353	100,811
Tax on profit on ordinary activities	5	24,483	22,194
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		90,870	78,617
Retained profit brought forward		891,109	812,492
RETAINED PROFIT CARRIED FORWARD		£981,979	£891,109

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 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		71,899		58,341
CURRENT ASSETS:					
Stocks	7	1,038,186		1,001,520	
Debtors	8	179,571		164,269	
Cash at bank		645,503		579,722	
		<u>1,863,260</u>		<u>1,745,511</u>	
CREDITORS: Amounts falling due within one year	9	<u>854,578</u>		<u>799,516</u>	
NET CURRENT ASSETS:			<u>1,008,682</u>		<u>945,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>1,080,581</u>		<u>1,004,336</u>
CREDITORS: Amounts falling due after more than one year	10		<u>93,602</u>		<u>108,227</u>
			<u>£986,979</u>		<u>£896,109</u>
CAPITAL AND RESERVES:					
Called up share capital	12		3,834		3,834
Capital redemption reserve	13		1,166		1,166
Profit and loss account			981,979		891,109
SHAREHOLDERS' FUNDS:	15		<u>£986,979</u>		<u>£896,109</u>

ON BEHALF OF THE BOARD:


.....
R G Collins - DIRECTOR


.....
D R Collins - DIRECTOR

Approved by the Board on 14 August 2002

GEO COLLINS (ENGINEERS) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2002**

	Notes	2002		2001	
		£	£	£	£
Net cash inflow from operating activities	1		139,208		505,011
Returns on investments and servicing of finance	2		(8,227)		(12,941)
Taxation			(22,520)		(21,185)
Capital expenditure	2		(42,782)		(20,593)
			<u>65,679</u>		<u>450,292</u>
Financing	2		102		(11,405)
Increase in cash in the period			<u>£65,781</u>		<u>£438,887</u>
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		65,781		438,887	
Cash outflow from decrease in debt and lease financing		<u>2,930</u>		<u>3,779</u>	
Change in net funds resulting from cash flows			68,711		442,666
Movement in net funds in the period			<u>68,711</u>		<u>442,666</u>
Net funds at 1 June			<u>576,543</u>		<u>133,877</u>
Net funds at 31 May			<u>£645,254</u>		<u>£576,543</u>

The notes form part of these financial statements

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2002**

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

	2002 £	2001 £
Operating profit	123,580	113,752
Depreciation charges	29,044	28,005
Loss on sale of fixed assets	180	-
(Increase)/Decrease in stocks	(36,666)	199,225
Increase in debtors	(13,649)	(5,502)
Increase in creditors	36,719	169,531
Net cash inflow from operating activities	<u>139,208</u>	<u>505,011</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	8,735	4,234
Interest paid	(9,405)	(12,845)
Interest element of hire purchase or finance lease rentals payments	<u>(7,557)</u>	<u>(4,330)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(8,227)</u>	<u>(12,941)</u>
Capital expenditure		
Purchase of tangible fixed assets	(43,532)	(20,593)
Sale of tangible fixed assets	<u>750</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(42,782)</u>	<u>(20,593)</u>
Financing		
Amount introduced by directors	102	-
Repayment of directors' loan accounts	<u>-</u>	<u>(11,405)</u>
Net cash inflow/(outflow) from financing	<u>102</u>	<u>(11,405)</u>

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2002**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.01 £	Cash flow £	At 31.5.02 £
Net cash:			
Cash at bank	579,722	65,781	645,503
	<u>579,722</u>	<u>65,781</u>	<u>645,503</u>
Debt:			
Hire purchase or finance leases	(3,179)	2,930	(249)
	<u>(3,179)</u>	<u>2,930</u>	<u>(249)</u>
Total	<u>576,543</u>	<u>68,711</u>	<u>645,254</u>
Analysed in Balance Sheet			
Cash at bank	579,722		645,503
Hire purchase or finance leases			
within one year	(2,929)		(249)
after one year	(250)		-
	<u>576,543</u>		<u>645,254</u>

GEO COLLINS (ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

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 at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 5% on cost
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

	2002 £	2001 £
Wages and salaries	611,568	511,070
Social security costs	66,662	55,093
Other pension costs	130	4
	<u>678,360</u>	<u>566,167</u>

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

	2002	2001
Office and management	18	17
Production and sales	10	9
	<u>28</u>	<u>26</u>

GEO COLLINS (ENGINEERS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002****3. OPERATING PROFIT**

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	29,044	24,091
Depreciation - assets on hire purchase contracts or finance leases	-	3,914
Loss on disposal of fixed assets	180	-
Auditors' remuneration	2,150	2,150
	<u> </u>	<u> </u>
Directors' emoluments	108,061	77,255
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	81	67
Directors loan interest	2,269	3,184
Shareholders loan interest	7,055	9,594
Honda finance charges	6,942	3,533
Lease finance charges	615	797
	<u> </u>	<u> </u>
	16,962	17,175
	<u> </u>	<u> </u>

5. TAXATION**Analysis of the tax charge**

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

	2002	2001
	£	£
Current tax:		
UK corporation tax	25,825	22,209
Taxation prior year	311	(15)
	<u> </u>	<u> </u>
Total current tax	26,136	22,194
	<u> </u>	<u> </u>
Deferred tax:		
Deferred taxation	(1,653)	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	24,483	22,194
	<u> </u>	<u> </u>

UK corporation tax has been charged at 20% (2001 - 20%).

GEO COLLINS (ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>115,353</u>	<u>100,811</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.83% (2001 - 20%)	22,874	20,162
Effects of:		
Depreciation in excess of capital allowances	2,586	1,997
Expenses not deductible for tax purposes	365	50
Adjustments to tax charge in respect of previous periods	<u>311</u>	<u>(15)</u>
Current tax charge	<u>26,136</u>	<u>22,194</u>

6. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and machinery £	Fixtures and fittings £
COST:			
At 1 June 2001	173,544	119,910	41,402
Additions	29,511	1,442	7,498
Disposals	-	(299)	-
At 31 May 2002	<u>203,055</u>	<u>121,053</u>	<u>48,900</u>
DEPRECIATION:			
At 1 June 2001	151,725	103,787	35,183
Charge for year	11,113	6,886	3,430
Eliminated on disposals	-	(258)	-
At 31 May 2002	<u>162,838</u>	<u>110,415</u>	<u>38,613</u>
NET BOOK VALUE:			
At 31 May 2002	<u>40,217</u>	<u>10,638</u>	<u>10,287</u>
At 31 May 2001	<u>21,819</u>	<u>16,123</u>	<u>6,219</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002

6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles	Computer equipment	Totals
	£	£	£
COST:			
At 1 June 2001	19,435	76,270	430,561
Additions	-	5,081	43,532
Disposals	(8,476)	-	(8,775)
At 31 May 2002	10,959	81,351	465,318
DEPRECIATION:			
At 1 June 2001	15,918	65,607	372,220
Charge for year	739	6,876	29,044
Eliminated on disposals	(7,587)	-	(7,845)
At 31 May 2002	9,070	72,483	393,419
NET BOOK VALUE:			
At 31 May 2002	1,889	8,868	71,899
At 31 May 2001	3,517	10,663	58,341

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
	£	£	£
COST:			
At 1 June 2001	8,869	8,274	17,143
Transferred to ownership	(8,869)	(8,274)	(17,143)
At 31 May 2002	-	-	-
DEPRECIATION:			
At 1 June 2001	5,213	8,274	13,487
Transferred to ownership	(5,213)	(8,274)	(13,487)
At 31 May 2002	-	-	-
NET BOOK VALUE:			
At 31 May 2002	-	-	-
At 31 May 2001	3,656	-	3,656

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002**

7. STOCKS

	2002	2001
	£	£
Stock	<u>1,038,186</u>	<u>1,001,520</u>

Included within stock is £266,974 (2001: £217,689) in respect of consignment stock. This is held for 120 days before payment is due. No interest is charged in this period.

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

	2002	2001
	£	£
Trade debtors	113,242	105,910
Other debtors	4,491	4,086
Prepayments & accrued income	60,185	54,273
Deferred tax asset	1,653	-
	<u>179,571</u>	<u>164,269</u>

Deferred tax asset

	2002	2001
	£	£
Deferred tax	<u>1,653</u>	<u>-</u>

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

	2002	2001
	£	£
Trade creditors	658,025	618,123
Directors current accounts	35,238	35,136
Hire purchase & finance leases	249	2,929
Other creditors	8,625	20,253
Social security & other taxes	92,895	39,490
Taxation	25,825	22,209
Accrued expenses	33,721	61,376
	<u>854,578</u>	<u>799,516</u>

Within trade creditors, £547,578 (2001: £502,904) is secured on the stock of new cars. The finance leases are secured on the relevant fixed assets.

Within other creditors is £8,625 which relates to a shareholders loan account.

GEO COLLINS (ENGINEERS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002**

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

	2002 £	2001 £
Hire purchase & finance leases (due within 5 years)	-	250
Other creditors	93,602	107,977
	<u>93,602</u>	<u>108,227</u>

Other creditors relates, in full, to a shareholders loan account.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £
Decelerated capital allowances	(1,653)
Balance at 31 May 2002	<u>(1,653)</u>

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
3,834	Ordinary	£1	<u>3,834</u>	<u>3,834</u>

13. CAPITAL REDEMPTION RESERVE

	2002 £	2001 £
Purchase of own shares	<u>1,166</u>	<u>1,166</u>

14. CAPITAL COMMITMENTS

	2002 £	2001 £
Contracted but not provided for in the financial statements	<u>133,500</u>	<u>-</u>

GEO COLLINS (ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	90,870	78,617
Net addition to shareholders' funds	<u>90,870</u>	<u>78,617</u>
Opening shareholders' funds	896,109	817,492
Closing shareholders' funds	<u>986,979</u>	<u>896,109</u>
Equity interests	<u>986,979</u>	<u>896,109</u>