REGISTERED NUMBER: 803821 (England and Wales)

GEO COLLINS (ENGINEERS) LIMITED

REPORT OF THE DIRECTOR AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2003

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GEO COLLINS (ENGINEERS) LIMITED

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FOR THE YEAR ENDED 31 MAY 2003

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GEO COLLINS (ENGINEERS) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2003

DIRECTOR:	D R Collins
SECRETARY:	R D 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 DIRECTOR
FOR THE YEAR ENDED 31 MAY 2003

The director presents his report with the financial statements of the company for the year ended 31 May 2003.

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 a further increased level of turnover and gross 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 recomended for the year ended 31 May 2003.

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 2003 in the issued share capital of the company were as follows:

	31.5.03	1.6.02
Ordinary £1 shares		
D R Collins	967	967
R G Collins	-	1,067

RG Collins resigned as a Director on 31 May 2003.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

GEO COLLINS (ENGINEERS) LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MAY 2003

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 D Collins - Secretary

Date: 19/09/03

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 2003 on pages six to seventeen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors
As described on page two the company's director is 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 Director 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Director 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 director 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.

GEO COLLINS (ENGINEERS) LIMITED

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

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

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

Date: 23 September 2003

GEO COLLINS (ENGINEERS) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2003

	Notes	2003 £	2002 £
TURNOVER		10,159,341	9,818,412
Cost of sales		9,410,922	9,084,659
GROSS PROFIT		748,419	733,753
Administrative expenses		676,192	619,157
		72,227	114,596
Other operating income		8,627	8,984
OPERATING PROFIT	3	80,854	123,580
Interest receivable and similar income		7,267	8,735
		88,121	132,315
Interest payable and similar charges	4	19,206	16,962
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,915	115,353
Tax on profit on ordinary activities	5	14,733	24,483
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		54,182	90,870
RETAINED PROFIT FOR THE YEAR		£54,182	£90,870

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.

The notes form part of these financial statements

GEO COLLINS (ENGINEERS) LIMITED

BALANCE SHEET
31 MAY 2003

	Notes	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS					
Tangible assets	6		248,807		71,899
CURRENT ASSETS					
Stocks	7	1,050,905		1,038,186	
Debtors	8	166,486		179,571	
Cash at bank and in hand		692,255		645,503	
		1,909,646		1,863,260	
CREDITORS					
Amounts falling due within one year	9	872,933		854,578	
NET CURRENT ASSETS			1,036,713		1,008,682
TOTAL ASSETS LESS CURRENT LIABILITIES			1,285,520		1,080,581
CREDITORS					
Amounts falling due after more than one year	10		(421,398)		(93,602)
PROVISIONS FOR LIABILITIES AND CHARGES	13		(2,961)		-
			£861,161		£986,979
CAPITAL AND RESERVES					
Called up share capital	14		2,767		3,834
Capital redemption reserve	15		2,233		1,166
Profit and loss account	15		856,161		981,979
SHAREHOLDERS' FUNDS	18		£861,161		£986,979

ON BEHALF OF THE BOARD:

.....

D R Collins - Director

Approved by the Board on ...19\09\03.....

The notes form part of these financial statements

GEO COLLINS (ENGINEERS) LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2003

		2003		2002	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		128,950		142,138
Returns on investments and servicing of finance	2		(11,939)		(8,227)
Taxation			(25,755)		(22,520)
Capital expenditure	2		(209,673)		(42,782)
			(118,417)		68,609
Financing	2		165,169		(2,828)
Increase in cash in the period			£46,752		£65,781
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		46,752		65,781	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(192,574)		2,930	
Change in net funds resulting from cash flows			(145,822)		68,711
Movement in net funds in the period			(145,822)		68,711
Net funds at 1 June			645,254		576,543
Net funds at 31 May			£499,432		£645,254

The notes form part of these financial statements

GEO COLLINS (ENGINEERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2003

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

	2003 £	2002 £
Operating profit	80,854	123,580
Depreciation charges	32,764	29,044
Loss on disposal of fixed assets	-	180
Increase in stocks	(12,719)	(36,666)
Decrease/(Increase) in debtors	11,432	(13,649)
Increase in creditors	16,619	39,649
Net cash inflow from operating activities	128,950	142,138

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	7,267	8,735
Interest paid	(15,185)	(9,405)
Interest element of hire purchase payments	(4,021)	(7,557)
Net cash outflow for returns on investments and servicing of finance	(11,939)	(8,227)
Capital expenditure		
Purchase of tangible fixed assets	(209,673)	(43,532)
Sale of tangible fixed assets	-	750
Net cash outflow for capital expenditure	(209,673)	(42,782)
Financing		
New loans in year	218,023	-
Loan repayments in year	(25,200)	-
Capital repayments in year	(249)	(2,930)
Amount introduced by directors	942	565
Amount withdrawn by directors	(26,597)	(463)
Share buyback	(180,000)	-
Amount introduced by shareholders	178,250	-
Net cash inflow/(outflow) from financing	165,169	(2,828)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2003

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.02 £	Cash flow £	At 31.5.03 £
Net cash:			
Cash at bank and in hand	645,503	46,752	692,255
	645,503	46,752	692,255
Debt:			
Hire purchase	(249)	249	-
Debts falling due within one year	-	(20,902)	(20,902)
Debts falling due after one year	-	(171,921)	(171,921)
	(249)	(192,574)	(192,823)
Total	645,254	(145,822)	499,432

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2003

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.

Long leasehold	- 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
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

Operating leases
Annual rentals under operating leases are charged to profit and loss on a straight line basis over the lease term.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	560,724	611,569
Social security costs	58,442	66,662
Other pension costs	-	130
	619,166	678,361

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

	2003	2002
Office and management	17	18
Production and sales	14	10
	31	28

3. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	32,765	29,044
Loss on disposal of fixed assets	-	180
Auditors remuneration	2,300	2,150
Operating lease - other assets	70,000	-
Directors' emoluments	78,973	108,062

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	5,841	81
Directors loan interest	1,426	2,269
Shareholders loan interest	7,918	7,055
Honda finance charges	3,938	6,942
Lease finance charges	83	615
	19,206	16,962

5. TAXATION

Analysis of the tax charge

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

	2003	2002
	£	£
Current tax:		
UK corporation tax	10,189	25,825
Taxation prior year	(70)	311
Total current tax	10,119	26,136
Deferred taxation	4,614	(1,653)
Tax on profit on ordinary activities	14,733	24,483

UK corporation tax has been charged at 19% (2002 - 20%).

5. TAXATION - continued

Factors affecting the tax charge

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

	2003 £	2002 £
Profit on ordinary activities before tax	68,915	115,353
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 19.830%)	13,094	22,874
Effects of:		
Depreciation in excess of capital allowances	(3,826)	2,586
Expenses not deductible for tax purposes	921	365
Adjustments to tax charge in respect of previous periods	(70)	311
Current tax charge	10,119	26,136

6. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST:			
At 1 June 2002	203,055	121,052	48,900
Additions	152,784	34,379	1,447
At 31 May 2003	355,839	155,431	50,347
DEPRECIATION:			
At 1 June 2002	162,838	110,414	38,613
Charge for year	13,782	4,902	3,011
At 31 May 2003	176,620	115,316	41,624
NET BOOK VALUE:			
At 31 May 2003	179,219	40,115	8,723
At 31 May 2002	40,217	10,638	10,287

6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST:			
At 1 June 2002	10,959	81,351	465,317
Additions	14,063	7,000	209,673
At 31 May 2003	25,022	88,351	674,990
DEPRECIATION:			
At 1 June 2002	9,070	72,483	393,418
Charge for year	1,703	9,367	32,765
At 31 May 2003	10,773	81,850	426,183
NET BOOK VALUE:			
At 31 May 2003	14,249	6,501	248,807
At 31 May 2002	1,889	8,868	71,899

7. STOCKS

	2003 £	2002 £
Stocks	1,050,905	1,038,186

Included within stock is £196,446 (2002: £266,974) 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

	2003 £	2002 £
Trade debtors	83,033	113,242
Other debtors	12,884	4,491
Deferred tax asset	-	1,653
Prepayments and accrued income	70,569	60,185
	166,486	179,571

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts (see note 11)	20,902	-
Hire purchase contracts (see note 12)	-	249
Trade creditors	668,818	658,025
Taxation	10,189	25,825
Social security and other taxes	65,578	92,895
Other creditors	31,000	8,625
Directors' current accounts	9,583	35,238
Accrued expenses	66,863	33,721
	872,933	854,578

Within trade creditors, £586,990 (2002: £547,578) is secured on the vehicle stock. Other creditors of £31,000 (2002: £8,625) relates to a shareholders loan account.

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

	2003 £	2002 £
Bank loans (see note 11)	171,921	-
Other creditors	249,477	93,602
	421,398	93,602

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

11. LOANS

An analysis of the maturity of loans is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	20,902	-
Amounts falling due between two and five years:		
Bank loans - 2-5 years	92,753	-
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans-more than 5 years	79,168	-

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2003	2002
	£	£
Net obligations repayable:		
Within one year	-	249

13. PROVISION FOR LIABILITIES AND CHARGES

	2003
	£
Deferred tax	2,961

	Deferred tax
	£
Balance at 1 June 2002	(1,653)
Decelerated capital allowances	4,614
Balance at 31 May 2003	2,961

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003	2002
			£	£
5,000	Ordinary	£1	5,000	5,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003	2002
			£	£
2,767 (2002 - 3,834)	Ordinary	£1	2,767	3,834

15. RESERVES

	Profit and loss account	Capital redemption reserve	Totals
	£	£	£
At 1 June 2002	981,979	1,166	983,145
Retained profit for the year	54,182	-	54,182
Purchase of own shares	(180,000)	1,067	(178,933)
At 31 May 2003	856,161	2,233	858,394

The company repurchased 1,067 £1 ordinary shares from RG Collins, a director, for £180,000 on 28 March 2003.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2003

16. CAPITAL COMMITMENTS

	2003 £	2002 £
Contracted but not provided for in the financial statements	8,975	133,500

17. RELATED PARTY DISCLOSURES

The company occupies the freehold property under a 20 year lease which commenced on 1 June 2002. The property is owned by the company's shareholders.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	54,182	90,870
Purchase of own shares	(180,000)	-
Net (reduction)/addition to shareholders' funds	(125,818)	90,870
Opening shareholders' funds	986,979	896,109
Closing shareholders' funds	861,161	986,979
Equity interests	861,161	986,979

19. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2003, the company had annual committments under non-cancellable operating leases as follows:

	2003 Land & Buildings	2002 Land & Buildings
Expiring:		
over 5 years	70,000	0