

SAYERS MOTOR FACTORS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 2002



CFW
Chartered Accountants & Registered Auditors
1-3 Sterling Court
Loddington
Kettering
Northants
NN14 1RZ

SAYERS MOTOR FACTORS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

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SAYERS MOTOR FACTORS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R.J. Sayers K.A. Sayers
Company secretary	S.Sayers
Registered office	9 North Portway Close Round Spinney Northampton NN3 8RQ
Auditors	CFW Chartered Accountants & Registered Auditors 1-3 Sterling Court Loddington Kettering Northants NN14 1RZ
Bankers	National Westminster Bank plc 41 The Drapery Northampton NN1 2EY

SAYERS MOTOR FACTORS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was wholesale and retail distribution of motor finishing commodities and equipment.

The directors were pleased with the result for the year which was achieved primarily by concentrating on higher margin business enhanced by the introduction of new paint products.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary shares	<u>82,680</u>	<u>41,340</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 March 2002	1 April 2001
R.J. Sayers	56,995	11,399
K.A. Sayers	<u>33,005</u>	<u>6,601</u>

During the year there was a bonus issue of £1 ordinary shares totaling £72,000 financed from reserves. These were issued on a 4 for 1 basis. Refer to note 21.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SAYERS MOTOR FACTORS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2002

DIRECTORS' RESPONSIBILITIES *(continued)*

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. The directors 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

A resolution to re-appoint CFW as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
9 North Portway Close
Round Spinney
Northampton
NN3 8RQ

Signed by order of the directors



S.SAYERS
Company Secretary

Approved by the directors on 6th August 2002

SAYERS MOTOR FACTORS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 17, together with the financial statements of the company for the year ended 31st March 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with those provisions.



CFW
Chartered Accountants
& Registered Auditors

1-3 Sterling Court
Loddington
Kettering
Northants
NN14 1RZ
6th August 2002

SAYERS MOTOR FACTORS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2002

	Note	2002 £	2001 £
GROSS PROFIT		1,408,954	1,198,399
Distribution Costs		10,207	29,203
Administrative expenses		1,152,948	910,493
OPERATING PROFIT	2	245,799	258,703
Interest receivable	5	28,862	33,695
Interest payable	6	(6,154)	(5,031)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		268,507	287,367
Tax on profit on ordinary activities	7	57,163	60,290
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		211,344	227,077
Dividends	8	82,680	41,340
RETAINED PROFIT FOR THE FINANCIAL YEAR		128,664	185,737

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £211,344 attributable to the shareholders for the year ended 31st March 2002 (2001 - profit of £227,077).

All of the activities of the company are classed as continuing.

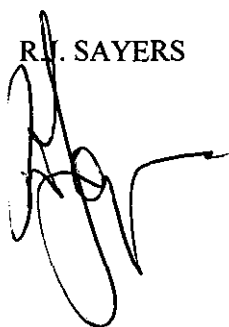
SAYERS MOTOR FACTORS LIMITED**ABBREVIATED BALANCE SHEET****YEAR ENDED 31ST MARCH 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	210,062	202,481
Investments	10	7,501	7,501
		<u>217,563</u>	<u>209,982</u>
CURRENT ASSETS			
Stocks	11	274,983	237,750
Debtors	12	867,993	737,186
Cash at bank and in hand		965,714	879,588
		<u>2,108,690</u>	<u>1,854,524</u>
CREDITORS: Amounts falling due within one year	13	<u>977,537</u>	<u>828,461</u>
NET CURRENT ASSETS		<u>1,131,153</u>	<u>1,026,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,348,716</u>	<u>1,236,045</u>
CREDITORS: Amounts falling due after more than one year	14	<u>22,452</u>	<u>39,137</u>
		<u>1,326,264</u>	<u>1,196,908</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	17	7,059	6,367
		<u>1,319,205</u>	<u>1,190,541</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	90,000	18,000
Other reserves	20	—	12,000
Profit and Loss Account		1,229,205	1,160,541
SHAREHOLDERS' FUNDS	22	<u>1,319,205</u>	<u>1,190,541</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 6th August 2002 and are signed on their behalf by:

R.J. SAYERS



K.A. SAYERS



SAYERS MOTOR FACTORS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST MARCH 2002**

	2002		2001	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		281,931		305,999
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	28,862		33,695	
Interest element of hire purchase	(6,154)		(5,031)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		22,708		28,664
TAXATION		(58,277)		(55,654)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(70,571)		(106,470)	
Receipts from sale of fixed assets	3,785		17,650	
Acquisition of Investments brought forward	—		(1)	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(66,786)		(88,821)
EQUITY DIVIDENDS PAID		(82,680)		(41,340)
CASH INFLOW BEFORE FINANCING		96,896		148,848
FINANCING				
Share premium on issue of equity share capital	12,000		—	
Premium on purchase of own non-equity shares	(12,000)		—	
Capital element of hire purchase	(46,582)		15,161	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(46,582)		15,161
INCREASE IN CASH		50,314		164,009

SAYERS MOTOR FACTORS LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31ST MARCH 2002****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2002 £	2001 £
Operating profit	245,799	258,703
Depreciation	65,354	50,152
Loss on disposal of fixed assets	4,526	5,000
Increase in stocks	(37,233)	(37,064)
Increase in debtors	(130,807)	(78,897)
Increase in creditors	134,292	108,105
Net cash inflow from operating activities	281,931	305,999

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase in cash in the period	50,314	164,009
Cash outflow in respect of hire purchase	46,582	(15,161)
Change in net funds resulting from cash flows	96,896	148,848
New finance leases	(24,675)	—
Movement in net funds in the period	72,221	148,848
Net funds at 1 April 2001	732,565	583,717
Net funds at 31 March 2002	804,786	732,565

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2001 £	Cash flows £	Other changes £	At 31 Mar 2002 £
Net cash:				
Cash in hand and at bank	879,588	86,126	—	965,714
Overdrafts	(70,828)	(35,812)	—	(106,640)
	<u>808,760</u>	<u>50,314</u>	<u>—</u>	<u>859,074</u>
Debt:				
Hire purchase agreements	(76,195)	46,582	(24,675)	(54,288)
Net funds	732,565	96,896	(24,675)	804,786

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****1. ACCOUNTING POLICIES****Basis of accounting**

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	15% of cost.
Fixtures and fittings	-	15% & 33.33% Reducing balance method
Motor vehicles	-	25% reducing balance method

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****1. ACCOUNTING POLICIES** *(continued)***Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

* provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

* provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

* deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2002	2001
	£	£
Depreciation	65,354	50,152
Loss on disposal of fixed assets	4,526	5,000
Auditors' remuneration		
- as auditors	<u>5,059</u>	<u>7,240</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No.	No.
Directors	2	2
Administration	7	7
Distribution	<u>20</u>	<u>18</u>
	<u>29</u>	<u>27</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****3. PARTICULARS OF EMPLOYEES** *(continued)*

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	626,971	503,220
Social security costs	56,500	13,906
Other pension costs	140,000	90,000
	<u>823,471</u>	<u>607,126</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	231,490	142,782
Value of company pension contributions to money purchase schemes	140,000	90,000
	<u>371,490</u>	<u>232,782</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002	2001
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. INTEREST RECEIVABLE

	2002	2001
	£	£
Bank interest receivable	<u>28,862</u>	<u>33,695</u>

6. INTEREST PAYABLE

	2002	2001
	£	£
Finance charges	<u>6,154</u>	<u>5,031</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****7. TAX ON PROFIT ON ORDINARY ACTIVITIES****Taxation**

	2002	2001
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2001 - 20%)	56,430	58,236
Corporation tax	41	—
Total current tax	56,471	58,236
Increase in deferred tax provision		
Capital allowances	692	2,054
	692	2,054
Total deferred tax (note 17)	692	2,054
Tax on profit on ordinary activities	<u>57,163</u>	<u>60,290</u>

8. DIVIDENDS

The following dividends have been paid in respect of the year:

	2002	2001
	£	£
Dividend paid on ordinary shares	<u>82,680</u>	<u>41,340</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****9. TANGIBLE FIXED ASSETS**

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	L'hold Improvements £	Total £
COST					
At 1 April 2001	6,337	211,088	198,883	—	416,308
Additions	—	68,522	20,932	5,792	95,246
Disposals	(6,337)	—	(46,655)	—	(52,992)
At 31 March 2002	<u>—</u>	<u>279,610</u>	<u>173,160</u>	<u>5,792</u>	<u>458,562</u>
DEPRECIATION					
At 1 April 2001	6,337	145,773	61,717	—	213,827
Charge for the year	—	26,444	38,041	869	65,354
On disposals	(6,337)	—	(24,344)	—	(30,681)
At 31 March 2002	<u>—</u>	<u>172,217</u>	<u>75,414</u>	<u>869</u>	<u>248,500</u>
NET BOOK VALUE					
At 31 March 2002	<u>—</u>	<u>107,393</u>	<u>97,746</u>	<u>4,923</u>	<u>210,062</u>
At 31 March 2001	<u>—</u>	<u>65,315</u>	<u>137,166</u>	<u>—</u>	<u>202,481</u>

Hire purchase agreements

Included within the net book value of £210,062 is £95,871 (2001 - £116,039) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £37,415 (2001 - £8,072).

10. INVESTMENTS

	Total £
COST:	
At 1st April 2001 and 31st March 2002	<u>7,501</u>
NET BOOK VALUE:	
At 31st March 2002	<u>7,501</u>
At 31st March 2001	<u>7,501</u>

The investment represents 7500 Ordinary shares in Trade Automotive Supplies Limited and 1 Ordinary Share in ACIS Limited, both are companies incorporated in England and Wales.

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****11. STOCKS**

	2002 £	2001 £
Stock	<u>274,983</u>	<u>237,750</u>

12. DEBTORS

	2002 £	2001 £
Trade debtors	837,014	718,095
Other debtors	15,362	806
Prepayments and accrued income	15,617	18,285
	<u>867,993</u>	<u>737,186</u>

13. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	106,640	70,828
Trade creditors	431,467	436,429
Other creditors including taxation and social security:		
Corporation tax	56,430	58,236
PAYE and social security	26,415	11,988
VAT	59,885	48,034
Hire purchase agreements	31,836	37,058
Other creditors	—	22,126
Directors current accounts	<u>202,363</u>	<u>94,844</u>
	376,929	272,286
Accruals and deferred income	62,501	48,918
	<u>977,537</u>	<u>828,461</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002 £	2001 £
Bank loans and overdrafts	106,640	70,828
Hire purchase agreements	31,837	37,058
	<u>138,477</u>	<u>107,886</u>

14. CREDITORS: Amounts falling due after more than one year

	2002 £	2001 £
Other creditors:		
Hire purchase agreements	<u>22,452</u>	<u>39,137</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****14. CREDITORS: Amounts falling due after more than one year (continued)**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Hire purchase agreements	<u>22,452</u>	<u>39,137</u>

16. PENSIONS

The company contributed £140,000 to the Sayers Motor Factors Directors Pension Scheme during the year, which is a defined contribution scheme. There are no outstanding or prepaid contributions at the balance sheet date.

17. DEFERRED TAXATION

	2002	2001
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	6,367	4,313
Profit and Loss Account movement arising during the year	692	2,054
Provision carried forward	<u>7,059</u>	<u>6,367</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002	2001
	£	£
Excess of taxation allowances over depreciation on fixed assets	7,059	6,367
	<u>7,059</u>	<u>6,367</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002	2001
	£	£
Amounts payable within 1 year	31,836	37,058
Amounts payable between 1 and 2 years	18,450	26,261
Amounts payable between 3 and 5 years	4,002	12,876
	<u>54,288</u>	<u>76,195</u>
Hire purchase agreements are analysed as follows:		
Current obligations	31,836	37,058
Non-current obligations	22,452	39,137
	<u>54,288</u>	<u>76,195</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****18. COMMITMENTS UNDER OPERATING LEASES**

At 31st March 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2002	2001
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>50,000</u>	<u>19,500</u>

19. SHARE CAPITAL**Authorised share capital:**

	2002	2001
	£	£
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>50,000</u>

	2002	2001
	£	£
Ordinary share capital brought forward	18,000	18,000
Issue of ordinary shares	<u>72,000</u>	<u>—</u>
	<u>90,000</u>	<u>18,000</u>

During the year 72,000 £1 ordinary shares were allotted as a bonus issue. The shares will rank pari-pasu along with the original issued share capital.

20. OTHER RESERVES

	2002	2001
	£	£
Capital redemption reserve:		
Balance brought forward	12,000	12,000
Purchase of own shares	<u>(12,000)</u>	<u>—</u>
	<u>—</u>	<u>12,000</u>

21. PROFIT AND LOSS ACCOUNT

	2002	2001
	£	£
Balance brought forward	1,160,541	974,804
Retained profit for the financial year	128,664	185,737
Bonus issue of shares	<u>(60,000)</u>	<u>—</u>
Balance carried forward	<u>1,229,205</u>	<u>1,160,541</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****31ST MARCH 2002****22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002		2001	
	£	£	£	£
Profit for the financial year		211,344		227,077
Dividends		(82,680)		(41,340)
		<u>128,664</u>		<u>185,737</u>
New equity share capital subscribed	72,000		—	
Less capitalised from reserves	<u>(72,000)</u>		<u>—</u>	
		<u>—</u>		<u>—</u>
Net addition to funds		128,664		185,737
Opening shareholders' equity funds		<u>1,190,541</u>		<u>1,004,804</u>
Closing shareholders' equity funds		<u><u>1,319,205</u></u>		<u><u>1,190,541</u></u>