

SAYERS MOTOR FACTORS LIMITED
ABBREVIATED ACCOUNTS

31ST MARCH 2003



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

SAYERS MOTOR FACTORS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

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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 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 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2003.

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:

	2003 £	2002 £
Dividends paid on ordinary shares	<u>168,884</u>	<u>82,680</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 31 March 2003	At 1 April 2002
R.J. Sayers	56,995	56,995
K.A. Sayers	<u>33,005</u>	<u>33,005</u>

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 2003

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 3rd October 2003

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 16, together with the financial statements of the company for the year ended 31st March 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 16 are properly prepared in accordance with those provisions.



1 Sterling Court
Loddington
Kettering
Northants
NN14 1RZ

CFW
Chartered Accountants
& Registered Auditors

3rd October 2003

SAYERS MOTOR FACTORS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2003

	Note	2003 £	2002 £
GROSS PROFIT		1,579,851	1,408,954
Distribution Costs		34,361	10,207
Administrative expenses		1,299,949	1,152,948
OPERATING PROFIT	2	245,541	245,799
Interest receivable	5	20,495	28,862
Interest payable	6	(4,858)	(6,154)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		261,178	268,507
Tax on profit on ordinary activities	7	53,015	57,163
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		208,163	211,344
Dividends	8	168,884	82,680
RETAINED PROFIT FOR THE FINANCIAL YEAR		39,279	128,664

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

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £208,163 attributable to the shareholders for the year ended 31st March 2003 (2002 - profit of £211,344).

SAYERS MOTOR FACTORS LIMITED**ABBREVIATED BALANCE SHEET****31ST MARCH 2003**

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	9	230,072	210,062
Investments	10	7,501	7,501
		<u>237,573</u>	<u>217,563</u>
CURRENT ASSETS			
Stocks	11	329,295	274,983
Debtors	12	827,092	867,993
Cash at bank and in hand		649,400	965,714
		<u>1,805,787</u>	<u>2,108,690</u>
CREDITORS: Amounts falling due within one year	13	<u>639,227</u>	<u>977,537</u>
NET CURRENT ASSETS		<u>1,166,560</u>	<u>1,131,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,404,133</u>	<u>1,348,716</u>
CREDITORS: Amounts falling due after more than one year	14	<u>36,815</u>	<u>22,452</u>
		<u>1,367,318</u>	<u>1,326,264</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	17	8,834	7,059
		<u>1,358,484</u>	<u>1,319,205</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	90,000	90,000
Profit and loss account		1,268,484	1,229,205
SHAREHOLDERS' FUNDS	20	<u>1,358,484</u>	<u>1,319,205</u>

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

These abbreviated accounts were approved by the directors on the 3rd October 2003 and are signed on their behalf by:

R.J. SAYERS



K.A. SAYERS



SAYERS MOTOR FACTORS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST MARCH 2003**

	2003		2002
	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		56,462	267,931
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	20,495		28,862
Interest element of hire purchase	<u>(4,858)</u>		<u>(6,154)</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		15,637	22,708
TAXATION		(56,430)	(58,277)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(62,406)		(70,571)
Receipts from sale of fixed assets	<u>27,350</u>		<u>3,785</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(35,056)	(66,786)
EQUITY DIVIDENDS PAID		(168,884)	(82,680)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(188,271)	82,896
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	<u>(21,403)</u>		<u>(46,582)</u>
NET CASH OUTFLOW FROM FINANCING		(21,403)	(46,582)
(DECREASE)/INCREASE IN CASH		<u>(209,674)</u>	<u>36,314</u>

SAYERS MOTOR FACTORS LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31ST MARCH 2003****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003	2002
	£	£
Operating profit	245,541	245,799
Depreciation	49,751	65,354
Loss on disposal of fixed assets	12,003	4,526
Increase in stocks	(54,312)	(37,233)
Decrease/(increase) in debtors	40,901	(130,807)
(Decrease)/increase in creditors	(237,422)	120,292
Net cash inflow from operating activities	<u>56,462</u>	<u>267,931</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003	2002
	£	£
(Decrease)/increase in cash in the period	(209,674)	36,314
Cash outflow in respect of hire purchase	<u>21,403</u>	<u>46,582</u>
Change in net funds resulting from cash flows	(188,271)	82,896
New finance leases	(46,708)	(24,675)
Movement in net funds in the period	<u>(234,979)</u>	<u>58,221</u>
Net funds at 1 April 2002	804,786	732,565
Net funds at 31 March 2003	<u>569,807</u>	<u>804,786</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2002	Cash flows	Other changes	At 31 Mar 2003
	£	£	£	£
Net cash:				
Cash in hand and at bank	965,714	(316,314)	—	649,400
Overdrafts	(106,640)	106,640	—	—
	<u>859,074</u>	<u>(209,674)</u>	<u>—</u>	<u>649,400</u>
Debt:				
Hire purchase agreements	(54,288)	21,403	(46,708)	(79,593)
Net funds	<u>804,786</u>	<u>(188,271)</u>	<u>(46,708)</u>	<u>569,807</u>

SAYERS MOTOR FACTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MARCH 2003

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.

Fixed assets

All fixed assets are initially recorded at cost.

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 property	- 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 ACCOUNTS
YEAR ENDED 31ST MARCH 2003

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;

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 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:

	2003	2002
	£	£
Depreciation of owned fixed assets	34,328	27,939
Depreciation of assets held under hire purchase agreements	15,423	37,415
Loss on disposal of fixed assets	12,003	4,526
Auditors' remuneration		
- as auditors	<u>8,302</u>	<u>5,059</u>

SAYERS MOTOR FACTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MARCH 2003

3. PARTICULARS OF EMPLOYEES

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

	2003	2002
	No	No
Directors	2	2
Administration	8	7
Distribution	27	20
	<u>37</u>	<u>29</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	695,994	626,971
Social security costs	73,262	56,500
Other pension costs	150,000	140,000
	<u>919,256</u>	<u>823,471</u>

4. DIRECTORS' EMOLUMENTS

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

	2003	2002
	£	£
Emoluments receivable	267,967	231,490
Value of company pension contributions to money purchase schemes	150,000	140,000
	<u>417,967</u>	<u>371,490</u>

Emoluments of highest paid director:

	2003	2002
	£	£
Total emoluments (excluding pension contributions):	<u>173,480</u>	<u>140,287</u>

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

	2003	2002
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5. INTEREST RECEIVABLE

	2003	2002
	£	£
Bank interest receivable	<u>20,495</u>	<u>28,862</u>

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST MARCH 2003****6. INTEREST PAYABLE**

	2003	2002
	£	£
Finance charges	<u>4,858</u>	<u>6,154</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	51,240	56,430
Over/under provision in prior year	-	41
Total current tax	<u>51,240</u>	<u>56,471</u>
Deferred tax:		
Increase in deferred tax provision (note 17)		
Capital allowances	1,775	692
Tax on profit on ordinary activities	<u>53,015</u>	<u>57,163</u>

8. DIVIDENDS

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

	2003	2002
	£	£
Dividend paid on ordinary shares	<u>168,884</u>	<u>82,680</u>

SAYERS MOTOR FACTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MARCH 2003

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1st April 2002	5,792	279,610	173,160	458,562
Additions	—	23,181	85,933	109,114
Disposals	—	—	(70,275)	(70,275)
At 31st March 2003	<u>5,792</u>	<u>302,791</u>	<u>188,818</u>	<u>497,401</u>
DEPRECIATION				
At 1st April 2002	869	172,217	75,414	248,500
Charge for the year	738	26,904	22,109	49,751
On disposals	—	—	(30,922)	(30,922)
At 31st March 2003	<u>1,607</u>	<u>199,121</u>	<u>66,601</u>	<u>267,329</u>
NET BOOK VALUE				
At 31st March 2003	<u>4,185</u>	<u>103,670</u>	<u>122,217</u>	<u>230,072</u>
At 31st March 2002	<u>4,923</u>	<u>107,393</u>	<u>97,746</u>	<u>210,062</u>

Hire purchase agreements

Included within the net book value of £230,072 is £91,639 (2002 - £95,871) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £15,423 (2002 - £37,415).

10. INVESTMENTS

	Total £
COST	
At 1st April 2002 and 31st March 2003	<u>7,501</u>
NET BOOK VALUE	
At 31st March 2003	<u>7,501</u>
At 31st March 2002	<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.

11. STOCKS

	2003 £	2002 £
Stock	<u>329,295</u>	<u>274,983</u>

SAYERS MOTOR FACTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MARCH 2003

12. DEBTORS

	2003	2002
	£	£
Trade debtors	807,456	837,014
Other debtors	9,251	15,362
Prepayments and accrued income	10,385	15,617
	<u>827,092</u>	<u>867,993</u>

13. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	—	106,640
Trade creditors	304,941	431,467
Other creditors including taxation and social security:		
Corporation tax	51,240	56,430
PAYE and social security	76,830	26,415
VAT	59,354	59,885
Hire purchase agreements	42,778	31,836
Directors current accounts	35,599	202,363
	<u>265,801</u>	<u>376,929</u>
Accruals and deferred income	68,485	62,501
	<u>639,227</u>	<u>977,537</u>

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

	2003	2002
	£	£
Bank loans and overdrafts	—	106,640
Hire purchase agreements	42,778	31,837
	<u>42,778</u>	<u>138,477</u>

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

	2003	2002
	£	£
Other creditors:		
Hire purchase agreements	36,815	22,452

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

	2003	2002
	£	£
Hire purchase agreements	36,815	22,452

SAYERS MOTOR FACTORS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST MARCH 2003****15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	2003	2002
	£	£
Amounts payable within 1 year	42,778	31,836
Amounts payable between 1 and 2 years	26,232	18,450
Amounts payable between 3 and 5 years	10,583	4,002
	<u>79,593</u>	<u>54,288</u>

16. PENSIONS

The company contributed £150,000 (2002 £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

	2003	2002
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	7,059	6,367
Profit and loss account movement arising during the year	1,775	692
Provision carried forward	<u>8,834</u>	<u>7,059</u>

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

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	8,834	7,059
	<u>8,834</u>	<u>7,059</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>50,000</u>	<u>50,000</u>

SAYERS MOTOR FACTORS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MARCH 2003

19. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

In 2003 nil (2002 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. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003		2002	
	£	£	£	£
Profit for the financial year		208,163		211,344
Dividends		(168,884)		(82,680)
		<u>39,279</u>		<u>128,664</u>
New equity share capital subscribed	—		72,000	
Less capitalised from reserves	—		<u>(60,000)</u>	
		—		12,000
Premium on purchase of own equity shares		—		(12,000)
Net addition to funds		<u>39,279</u>		<u>128,664</u>
Opening shareholders' equity funds		<u>1,319,205</u>		<u>1,190,541</u>
Closing shareholders' equity funds		<u>1,358,484</u>		<u>1,319,205</u>