

REGAL MOTORS (BILSTON) LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2002**



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REGAL MOTORS (BILSTON) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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REGAL MOTORS (BILSTON) LIMITED

COMPANY INFORMATION AS AT 31 DECEMBER 2002

DIRECTORS

J D Jackson
P Jackson
Mrs J M Taylor

SECRETARY

Mrs V M Jackson

REGISTERED OFFICE

Oxford Street
Bilston
West Midlands

AUDITORS

Attwood & Co
Chartered Accountants
Harrison House
Marston Road
Wolverhampton

PRINCIPAL BANKERS

HSBC plc
3 Walsall Road
Darlaston
West Midlands

REGAL MOTORS (BILSTON) LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the operation and management of a motor dealership.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £207,783.

A review of the operations of the company during the financial year and the results of those operations are as follows:

The directors are pleased with the progress made by the company, in the year under review which shows an improvement in profitability. Turnover has increased by 16% over that achieved in 2001. The company has also maintained margins and together with the increased turnover has resulted in profits before tax rising to £266,584 compared with £206,989 for the financial year 2001.

DIVIDENDS

The directors have paid an interim dividend during the year amounting to £16,000.

FUTURE DEVELOPMENTS

The likely developments in the operations of the company and the expected results of these operations in the financial years subsequent to the year ended 31 December 2002 are as follows:

The directors are aware that the external factors affecting the retail automobile industry, with the relaxation of the block exemption regulations, will lead to further competition and an uncertain market.

As a result of the above, the directors are hopeful that the company will maintain its profitability in the current period.

INTEREST IN LAND AND BUILDINGS

The directors are of the opinion that the market value of the company's interest in freehold land and buildings is not significantly different to the net book value stated in these financial statements.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2002	2001
J D Jackson	Ordinary shares	50	50
P Jackson	Ordinary shares	50	50
Mrs J M Taylor	"	-	-

REGAL MOTORS (BILSTON) LIMITED

DIRECTORS' REPORT

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

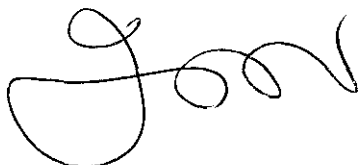
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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, Attwood & Co, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:



Mrs J M Taylor
Director

Date: 22 December 2003

REGAL MOTORS (BILSTON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REGAL MOTORS (BILSTON) LIMITED

We have audited the financial statements of Regal Motors (Bilston) Limited for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and on the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with section 235 of the Companies Act 1985. Our 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 auditor's 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 the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

BASIS OF 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 as to whether 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.

REGAL MOTORS (BILSTON) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
REGAL MOTORS (BILSTON) LIMITED**

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Attwood & Co

**Attwood & Co
Chartered Accountants
Registered Auditors**

**Harrison House
Marston Road
Wolverhampton**

Date: 22 December 2003

REGAL MOTORS (BILSTON) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
TURNOVER	2	13,509,752	11,631,498
Cost of sales		11,728,947	10,027,892
GROSS PROFIT		1,780,805	1,603,606
Administrative expenses		1,524,926	1,400,660
		255,879	202,946
Other operating income		38,857	30,587
OPERATING PROFIT	3	294,736	233,533
Investment income and interest receivable	4	-	678
Interest payable and similar charges	5	(28,152)	(27,222)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		266,584	206,989
Tax on profit on ordinary activities	9	(58,801)	(49,176)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		207,783	157,813
Dividends	10	(16,000)	(16,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	20	191,783	141,813

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

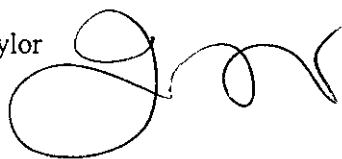
REGAL MOTORS (BILSTON) LIMITED

BALANCE SHEET AT 31 DECEMBER 2002

	Notes	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	11		796,690		798,785
Investments	12		1,000		1,000
			<u>797,690</u>		<u>799,785</u>
CURRENT ASSETS					
Stocks	13	2,101,577		1,920,642	
Debtors	14	603,518		496,920	
Cash at bank and in hand		257,705		186,453	
		<u>2,962,800</u>		<u>2,604,015</u>	
CREDITORS: amounts falling due within one year					
	15	(2,657,839)		(2,472,115)	
NET CURRENT ASSETS					
			<u>304,961</u>		<u>131,900</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>1,102,651</u>		<u>931,685</u>
CREDITORS: amounts falling due after more than one year					
	16		(96,607)		(111,202)
PROVISIONS FOR LIABILITIES AND CHARGES					
	18		(119,316)		(125,538)
NET ASSETS					
			<u>886,728</u>		<u>694,945</u>
CAPITAL AND RESERVES					
Called up share capital	19		100		100
Profit and loss account	20		886,628		694,845
TOTAL SHAREHOLDERS' FUNDS					
	21		<u>886,728</u>		<u>694,945</u>

Approved by the board of directors on 22 December 2003 and signed on its behalf by:

Mrs J M Taylor
Director



The notes on pages 9 to 23 form part of these financial statements.

REGAL MOTORS (BILSTON) LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
Net cash inflow from operating activities	3	238,034	379,555
Returns on investments and servicing of finance	22	(28,152)	(26,544)
Taxation	22	(47,459)	6,900
Capital expenditure	22	(47,090)	(56,553)
Equity dividends paid		(16,000)	(16,000)
Cash inflow before use of liquid resources and financing		99,333	287,358
Financing	22	(15,794)	(6,116)
INCREASE IN CASH IN THE YEAR		83,539	281,242

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

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INCREASE IN CASH IN THE YEAR	83,539	281,242
Cash outflow from movement in debt and lease financing	15,794	6,116
Change in net funds resulting from cash flows	99,333	287,358
Movement in funds in the year	99,333	287,358
Net funds / (debt) at 1 January 2002	51,014	(236,344)
Net funds at 31 December 2002	150,347	51,014

The notes on pages 9 to 23 form part of these financial statements.

REGAL MOTORS (BILSTON) LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Consolidation

The company and its subsidiary comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold buildings	4% on cost
Plant and machinery	10% on cost
Fixtures and fittings	10% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Leasing and hire purchase commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension costs

The company operates a defined benefit pension scheme. Contributions payable to this scheme are charged to the profit and loss account so as to spread the cost of the pension over the employee's expected working life. The pension charge is calculated on the basis of actuarial advice. These contributions are invested separately from the company's assets.

REGAL MOTORS (BILSTON) LIMITED

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

2. TURNOVER

Turnover is attributable to the one principal activity of the company and arose wholly in the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated	2002	2001
	£	£
After charging:		
Depreciation of fixed assets	49,186	45,213
Auditors' remuneration	8,375	7,250
Operating lease rentals		
Land and buildings	9,744	9,744

Reconciliation of operating profit to net cash inflow from operating activities

	2002	2001
	£	£
Operating profit	294,736	233,533
Depreciation	49,186	45,213
Decrease / (increase) in stocks	(180,935)	(623,756)
Increase in debtors	(106,598)	(119,026)
Increase in creditors	187,767	863,498
Other differences between cash flow and profit	(6,122)	(19,907)
Net cash inflow from operating activities	238,034	379,555

4. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2002	2001
	£	£
Interest received and receivable		
Other interest	-	678

REGAL MOTORS (BILSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002****5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2002 £	2001 £
Lease finance charges and hire purchase interest	13,730	1,693
Other interest	14,422	25,529
	<u>28,152</u>	<u>27,222</u>

6. INFORMATION ON DIRECTORS AND EMPLOYEES

	2002 £	2001 £
Staff costs		
Wages and salaries	981,715	878,870
Social security costs	78,786	70,948
Other pension costs	20,496	18,498
	<u>1,080,997</u>	<u>968,316</u>

	2002 No.	2001 No.
The average monthly number of employees during the year was made up as follows:		
Car sales	12	13
Service and parts	36	30
Administration	10	9
	<u>58</u>	<u>52</u>

	2002 £	2001 £
Directors' emoluments		
Emoluments	<u>58,262</u>	<u>46,503</u>

	2002 No.	2001 No.
During the year the following number of directors:		
Accrued benefits under defined benefit pension schemes	<u>1</u>	<u>1</u>

REGAL MOTORS (BILSTON) LIMITED

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

7. PENSION COSTS

Defined benefit scheme

The company operates a funded pension scheme based on final pensionable pay. The assets of the scheme are held separately from those of the company, in an independantly administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employee's working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation was 5th April 2000.

The pension charge for the year was £20,496 (2001 £18,498).

The market value of the pension scheme assets at 5th April 2000 was £613,800 and this was sufficient to cover 147% of the value of the benefits that had accrued to members after allowing for future increases in expected earnings. The contributions of the company and employees is currently 5.2% and 4% of earnings respectively. The surplus is to be spread over the remaining lives of the current employees and the actuaries have recommended that the company contrubutions of 5.2% of earnings, will reduce the surplus to a satisifactory level of the 5 year period following the valuation date.

REGAL MOTORS (BILSTON) LIMITED

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

8. PENSION COSTS FRS 17

Financial Reporting Standard 17

Additional disclosures regarding the company's defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement Benefits" and these are set out below. The disclosures relate to the second year of the transitional provisions. They provide information that will be necessary for full implementation of FRS 17 in the year 2005.

The actuarial valuation described above (note 7) has been updated at 31 December 2002 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued for this purpose at market value.

The major assumptions used for the valuation were:

	2002	2001
Rate of increases in salaries	3.8%	4.0%
Rate of increase in pensions	2.4%	2.5%
Discount rate	5.5%	5.8%
Inflation	2.3%	2.5%

The net assets/liabilities of the scheme at 31 December 2002 were as follows:

	2002	2001
Long-term expected rate of return		
Equities	7.5%	7.9%
Government bonds	4.5%	4.9%
	£000	£000
Market value of assets		
Equities	576	576
Government bonds	144	144
Total market value of assets	720	720
Present value of scheme liabilities	(802)	(631)
(Deficit)/surplus in the scheme	(82)	89
Related deferred tax asset/(liability)	24	(27)
Net pension (liability)/asset	(58)	62

REGAL MOTORS (BILSTON) LIMITED

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

8. PENSION COSTS FRS 17 - (continued)

	2002 £000
Analysis of the amount charged to operating profit	
Current service cost	42
Past service costs	-

Total operating charge	42
	=====
Analysis of amount credited to other finance income	
Expected return on pension scheme assets	54
Interest on pension liabilities	(38)

Net financing credit	16

Total profit and loss charge	26
	=====
Analysis of amount recognised in statement of total recognised gains and losses	
Actual return less expected return on pension scheme assets	(107)
Experience gains and losses arising on the scheme liabilities	(15)
Changes in the assumptions underlying the present value of scheme liabilities	(47)

Actual loss recognised in the statement of total recognised gains and losses	(169)
	=====
Movement in surplus during the year	
Surplus in scheme at the beginning of the year	89
Current service cost	(42)
Contributions paid	24
Net interest/return on assets	16
Actuarial loss	(169)

Deficit in scheme at end of the year	(82)
	=====
History of experience gains and losses	
Difference between the expected and actual return on scheme assets:	
Amount £000 - (107) Percentage (15%)	
Experience gains and losses on scheme liabilities:	
Amount £000 - (15) Percentage (2%)	
Total amount recognised in the statement of recognised gains and losses:	
Amount £000 - (169) Percentage (21%)	

REGAL MOTORS (BILSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002****9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2002 £	2001 £
(a) The taxation charge comprises:		
Current tax:		
UK corporation tax on profits for the year	58,900	49,000
Adjustment in respect of prior years	1	(1,385)
Total current year tax	58,901	47,615
Deferred tax		
Origination and reversal of timing differences	250	1,066
Adjustment in respect of prior years	(350)	495
Tax on profits on ordinary activities	58,801	49,176

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the UK 'small companies rate' of corporation tax of 19.25% (2001 20%). The differences are explained below:

	2002	2001
UK corporation tax rate	19.25%	20.0%
Effects of:		
Expenses not deductible for tax purposes	0.3%	1.1%
Depreciation for the year in excess of capital allowances	2.55%	2.6%
Adjustments to tax charge in respect of previous periods	0%	(0.7)%
Current year tax charge as a percentage of profit before tax	22.1%	23.0%

10. DIVIDENDS PAID OR PROPOSED

	2002 £	2001 £
Equity interests		
On ordinary shares:		
Interim dividends paid		
Dividend - ordinary shares	16,000	16,000

REGAL MOTORS (BILSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002****11. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost:				
At 1 January 2002	866,171	94,570	40,391	1,001,132
Additions	36,472	9,981	637	47,090
At 31 December 2002	902,643	104,551	41,028	1,048,222
Depreciation:				
At 1 January 2002	147,644	31,007	23,695	202,346
Charge for year	34,503	9,148	5,535	49,186
At 31 December 2002	182,147	40,155	29,230	251,532
Net book value:				
At 31 December 2002	720,496	64,396	11,798	796,690
At 31 December 2001	718,527	63,563	16,695	798,785

	2002 £	2001 £
Analysis of net book value of land and buildings:		
Freehold	684,024	718,527
Short leasehold	36,472	-
	<u>720,496</u>	<u>718,527</u>

12. INVESTMENTS

Cost or valuation:	1 January 2002 and 31 December 2002 £
Other investments	<u>1,000</u>

Other investments other than loans

REGAL MOTORS (BILSTON) LIMITED

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

12. INVESTMENTS - (continued)

Shares in related undertakings:

Cost or valuation:	1 January 2002 and 31 December 2002 £
Shares:	
Group undertaking	1,000
Net book value	1,000

Financial information summary:

Name and country of incorporation	Type of shareholding	Proportion held
Central Motors (Moxley) Ltd Great Britain	Ordinary shares	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year were as follows:-

	Capital and reserves	Results
	£	£
Central Motors (Moxley) Limited	6,533	-

Central Motors (Moxley) Limited is a non-trading company, it did not trade during the year under review and has not traded for several years.

13. STOCKS

	2002 £	2001 £
Consignment stock	871,427	650,736
Used vehicles and parts for resale	1,230,150	1,269,906
	2,101,577	1,920,642

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

REGAL MOTORS (BILSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002****14. DEBTORS**

	2002 £	2001 £
Trade debtors	393,682	251,250
Prepayments and accrued income	209,836	245,670
	<u>603,518</u>	<u>496,920</u>

15. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	-	12,287
Trade creditors	2,274,288	2,045,285
Corporation tax	58,901	47,460
Other taxes and social security costs	27,708	27,725
Other creditors	177,653	250,629
Accruals and deferred income	119,289	88,729
	<u>2,657,839</u>	<u>2,472,115</u>

Bank overdrafts amounting to £- (2001 £12,287) are secured by a fixed and floating charge on all the assets of the company.

Trade creditors include amounts due to suppliers for consignment stock in the sum of £871,427 (2001 £650,736), that are secured by charges on the consignment stock (see note 13).

Other creditors includes an amount in the sum of £70,000 (2001 £140,000) that is secured by a charge on the company's vehicle stock.

16. CREDITORS: amounts falling due after more than one year

	2002 £	2001 £
Amounts owed to group undertakings	44,375	44,375
Other creditors	52,232	66,827
	<u>96,607</u>	<u>111,202</u>

REGAL MOTORS (BILSTON) LIMITED

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

17. BORROWINGS

	2002	2001
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	<u>154,814</u>	<u>239,617</u>

18. PROVISIONS FOR LIABILITIES AND CHARGES

	2002	2001
	£	£
Lease obligation provision		
Balance at 1 January 2002	118,738	138,645
Decrease during the year	<u>(6,122)</u>	<u>(19,907)</u>
Balance at 31 December 2002	<u>112,616</u>	<u>118,738</u>
Deferred taxation (see below)		
Balance at 1 January 2002	6,800	5,239
Transferred to/from profit and loss account	<u>(100)</u>	<u>1,561</u>
	<u>6,700</u>	<u>6,800</u>
Total provision for liabilities and charges	<u><u>119,316</u></u>	<u><u>125,538</u></u>

	Fully provided	
	2002	2001
	£	£
Deferred tax is calculated at 19% (2001 - 20%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	<u>6,700</u>	<u>6,800</u>

The provision for lease obligations amounting to £112,616 (2001 £118,738) represents the future obligations for annual rentals for the remainder of the lease term. The amount provided is based on known costs discounted to their present value. The lease relates to premises which the company vacated during the 1999 financial year.

REGAL MOTORS (BILSTON) LIMITED

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

19. SHARE CAPITAL

	2002 £	2001 £
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

20. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Retained profit as at 1 January 2002	694,845	553,032
Profit for the year	<u>191,783</u>	<u>141,813</u>
Retained profit as at 31 December 2002	<u>886,628</u>	<u>694,845</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the year	207,783	157,813
Dividends	<u>(16,000)</u>	<u>(16,000)</u>
Net addition to shareholders' funds	191,783	141,813
Opening shareholders' funds	<u>694,945</u>	<u>553,132</u>
Closing shareholders' funds	<u>886,728</u>	<u>694,945</u>
Represented by:-		
Equity interests	<u>886,728</u>	<u>694,945</u>

REGAL MOTORS (BILSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002****22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	-	678
Interest paid	(14,422)	(25,529)
Interest element of finance lease rental payments	(13,730)	(1,693)
Net cash outflow from returns on investments and servicing of finance	(28,152)	(26,544)
Taxation		
Corporation tax paid	(49,000)	-
Corporation tax received	1,541	6,900
Net cash (outflow) / inflow from taxation	(47,459)	6,900
Capital expenditure		
Purchase of tangible fixed assets	(47,090)	(56,553)
Net cash outflow from capital expenditure	(47,090)	(56,553)
Financing		
Repayments of long term loans	(15,794)	(6,116)
Net cash outflow from financing	(15,794)	(6,116)

REGAL MOTORS (BILSTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002****23. ANALYSIS OF CHANGES IN NET FUNDS**

	2001 £	Cash flow £	Other movements £	2002 £
Cash at bank and in hand	186,453	71,252	-	257,705
Bank overdraft	(12,287)	12,287	-	-
Debt due within one year	(11,950)	-	1,200	(10,750)
Debt due after one year	(111,202)	15,794	(1,200)	(96,608)
	<u>51,014</u>	<u>99,333</u>	<u>-</u>	<u>150,347</u>
	2000 £	Cash flow £	Other movements £	2001 £
Cash at bank and in hand	499	185,954	-	186,453
Bank overdraft	(107,575)	95,288	-	(12,287)
Debt due within one year	(10,650)	-	(1,300)	(11,950)
Debt due after one year	(118,618)	6,116	1,300	(111,202)
	<u>(236,344)</u>	<u>287,358</u>	<u>-</u>	<u>51,014</u>

24. REVENUE COMMITMENTS

At year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Within one year	-	-	21,682	20,056
More than one year and less than five years	9,744	9,744	-	-
More than five years	21,600	21,600	-	-
	<u>31,344</u>	<u>31,344</u>	<u>21,682</u>	<u>20,056</u>

REGAL MOTORS (BILSTON) LIMITED

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

25. CAPITAL COMMITMENTS

	2002 £	2001 £
Details of capital commitments at the accounting date are as follows:		
Contracted but not provided for in the financial statements	<u>71,509</u>	<u>-</u>

26. CONTROL

The company was under the control, throughout the whole of the current and previous financial periods, of the directors, Messrs J D Jackson, P Jackson and Mrs J M Taylor, who between them owned the entire issued share capital in both periods.

27. RELATED PARTY DISCLOSURES

During the period the company purchased goods and services amounting to £9,744 (2001 £9,744) and sold goods and services amounting to £7,200 (2001 £7,200) from/to West Midland Finance Company Ltd. Both companies are related parties as a result of being under the common ownership of the directors. The transactions were on a normal trading basis.

During the year the company received a loan from West Midlands Finance Company Ltd . Interest was paid on the loan amounting to £4,306 (2001 £2,380). At the year end the indebtedness to West Midland Finance Company Ltd amounted to £71,064 (2001 £72,380) that is included in other creditors amounts falling due within one year.

At the balance sheet date the indebtedness due to the directors amounted to £22,838 (2001 £23,298) that is included in creditors amounts falling due within one year. The reduction in the year is in respect of cash drawn.

At the balance sheet date the indebtedness due to Mrs V Jackson, wife of Mr J D Jackson, amounted to £76,050 (2001 £78,777), that is included in other creditors amounts falling due within one year £10,750 (2001 £11,950), and other creditors amounts falling due after more than one year £65,300 (2001 £66,827). The company paid a commercial rate of interest on the loans which amounted to £4,487 (2001 £6,994).