REGISTERED NUMBER: 1673421 (England and Wales)

REGISTRAR

Abbreviated Financial Statements

for the Year Ended 31 March 2003

for

B & M Tyres & Exhausts Limited



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B & M Tyres & Exhausts Limited

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B & M Tyres & Exhausts Limited

Company Information
for the Year Ended 31 March 2003

DIRECTORS:	E E Massey J S Massey T J J Massey P A Fox FCCA
SECRETARY:	E E Massey
REGISTERED OFFICE:	Reed Mill Sheepbridge Lane Mansfield Nottinghamshire NG18 5DL
REGISTERED NUMBER:	1673421 (England and Wales)
AUDITORS:	Butler Cook Chartered Accountants Registered Auditors 30/32 High Street Codnor Ripley Derbyshire DE5 9QB

B & M Tyres & Exhausts Limited

Report of the Directors for the Year Ended 31 March 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of retail distribution of tyres and exhaust systems for both private and commercial vehicles and the manufacture of catalytic converters.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2003.

DIRECTORS

The directors during the year under review were:

E E Massey	
J S Massey	
D Hansford	- resigned 30/9/02
T J J Massey	
P A Fox FCCA	- appointed 1/10/02

The beneficial interests of the directors holding office on 31 March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02 or date of appointment if later
Ordinary Shares £1 shares		
E E Massey	1	1
J S Massey	99	99
T J J Massey	-	-
P A Fox FCCA	-	-

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

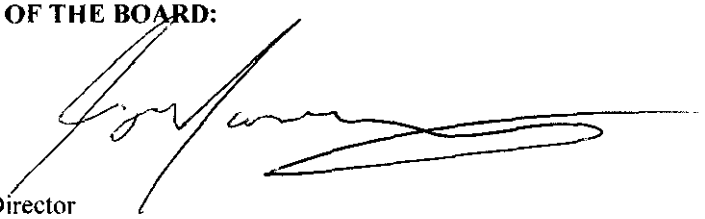
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, Butler Cook, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



J S Massey - Director

7 July 2003

B & M Tyres & Exhausts Limited

Report of the Independent Auditors to B & M Tyres & Exhausts Limited Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to nineteen, together with the full financial statements of the company for the year ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

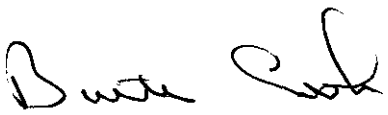
Basis of opinion

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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to nineteen are properly prepared in accordance with that provision.

Butler Cook
Chartered Accountants
Registered Auditors
30/32 High Street
Codnor
Ripley
Derbyshire DE5 9QB



7 July 2003

B & M Tyres & Exhausts Limited

Abbreviated Profit and Loss Account for the Year Ended 31 March 2003

	Notes	2003 £	2003 £	2002 £	2002 £
GROSS PROFIT			**1,381,098**		1,323,108
Administrative expenses			**1,143,039**		986,044
OPERATING PROFIT	3		**238,059**		337,064
Exceptional item			**-**		39,131
			238,059		297,933
Interest receivable and similar income			**2,629**		5
			240,688		297,938
Amounts written off investments	4		**-**		2
			240,688		297,936
Interest payable and similar charges	5		**100,966**		74,759
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**139,722**		223,177
Tax on profit on ordinary activities	6		**32,493**		73,434
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			**107,229**		149,743
Retained profit brought forward:					
As previously reported		**616,553**		598,266	
Prior year adjustments	7	**-**		(131,456)	
As restated			**616,553**		466,810
RETAINED PROFIT CARRIED FORWARD			**£723,782**		£616,553

CONTINUING OPERATIONS

The notes form part of these financial statements

B & M Tyres & Exhausts Limited

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2003

	2003	2002
	£	£
PROFIT FOR THE FINANCIAL YEAR	**107,229**	149,743
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**£107,229**	149,743
Prior year adjustment		(131,456)
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		£18,287

The notes form part of these financial statements

B & M Tyres & Exhausts Limited

Abbreviated Balance Sheet
31 March 2003

	Notes	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS:					
Tangible assets	8		**1,770,375**		1,739,954
CURRENT ASSETS:					
Stocks	9	**1,087,299**		881,745	
Debtors	10	**577,216**		595,994	
Cash at bank and in hand		**18,996**		28,518	
		1,683,511		1,506,257	
CREDITORS: Amounts falling due within one year	11	**1,626,725**		1,492,378	
NET CURRENT ASSETS:			**56,786**		13,879
TOTAL ASSETS LESS CURRENT LIABILITIES:			**1,827,161**		1,753,833
CREDITORS: Amounts falling due after more than one year	12		**(1,029,628)**		(1,067,506)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		**(73,651)**		(69,674)
			£723,882		£616,653
CAPITAL AND RESERVES:					
Called up share capital	17		**100**		100
Profit and loss account			**723,782**		616,553
SHAREHOLDERS' FUNDS:	19		**£723,882**		£616,653

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

ON BEHALF OF THE BOARD:

J S Massey - Director

Approved by the Board on 7 July 2003

The notes form part of these financial statements

B & M Tyres & Exhausts Limited

Cash Flow Statement
for the Year Ended 31 March 2003

	Notes	2003		2002	
		£	£	£	£
Net cash inflow from operating activities	1		**265,565**		354,815
Returns on investments and servicing of finance	2		**(98,337)**		(74,754)
Taxation	2		**(20,950)**		(91,482)
Capital expenditure	2		**(87,995)**		(1,205,214)
			58,283		**(1,016,635)**
Financing	2		**(19,930)**		861,098
Increase/(Decrease) in cash in the period			**£38,353**		**£(155,537)**
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		**38,353**		**(155,537)**	
Cash outflow from decrease in debt and lease financing		**90,670**		130,830	
Change in net debt resulting from cash flows			**129,023**		(24,707)
New finance leases			**(76,142)**		(364,758)
Movement in net debt in the period			**52,881**		**(389,465)**
Net debt at 1 April			**(394,005)**		**(4,540)**
Net debt at 31 March			**£(341,124)**		**£(394,005)**

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 March 2003

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

	2003 £	2002 £
Operating profit	**238,059**	337,064
Depreciation charges	**143,522**	95,856
Loss on sale of fixed assets	**-**	7,535
Profit on sale of fixed assets	**(9,807)**	-
Stock from B & M Derby Ltd	**-**	58,269
Government grants	**(20,231)**	(45,227)
Increase in stocks	**(205,554)**	(271,302)
Decrease in debtors	**55,493**	241,699
Increase/(Decrease) in creditors	**64,083**	(69,079)
Net cash inflow from operating activities	**265,565**	354,815

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	**2,629**	5
Interest paid	**(86,801)**	(67,582)
Interest element of hire purchase payments	**(14,165)**	(7,177)
Net cash outflow for returns on investments and servicing of finance	**(98,337)**	(74,754)
Taxation		
Taxation paid	**(50,000)**	(91,482)
Tax receipts/rebates	**29,050**	-
Net cash outflow for taxation	**(20,950)**	(91,482)
Capital expenditure		
Purchase of tangible fixed assets	**(121,495)**	(1,207,062)
Sale of tangible fixed assets	**33,500**	1,848
Net cash outflow for capital expenditure and financial investment	**(87,995)**	(1,205,214)

The notes form part of these financial statements

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

	2003 £	2002 £
Financing		
New loan taken out in year	**150,000**	1,053,284
Loan repayments in year	**(112,969)**	(63,122)
H. P. repayments in year	**(90,670)**	(131,079)
Amount introduced by directors	**47,240**	2,015
Amount withdrawn by directors	**(13,531)**	-
Net cash (outflow)/inflow from financing	**(19,930)**	861,098

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.02 £	Cash flow £	Other non-cash changes £	At 31.3.03 £
Net cash:				
Cash at bank and in hand	**28,518**	**(9,522)**		**18,996**
Bank overdrafts	**(151,397)**	**47,875**		**(103,522)**
	(122,879)	**38,353**		**(84,526)**
Debt:				
Hire purchase	**(271,126)**	**90,670**	**(76,142)**	**(256,598)**
	(271,126)	**90,670**	**(76,142)**	**(256,598)**
Total	**(394,005)**	**129,023**	**(76,142)**	**(341,124)**
Analysed in Balance Sheet				
Cash at bank and in hand	**28,518**			**18,996**
Bank overdrafts	**(151,397)**			**(103,522)**
Hire purchase				
within one year	**(84,775)**			**(104,952)**
after one year	**(186,351)**			**(151,646)**
	(394,005)			**(341,124)**

Notes to the Abbreviated Financial Statements for the Year Ended 31 March 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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on reducing balance
Plant and machinery	- 15% reducing balance/33% straight line
Fixtures and fittings	- 15% reducing balance/33% straight line
Motor vehicles	- 20% on reducing balance

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

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.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Factoring Account
A proportion of the Company's debts is factored. All factored debts are shown in full as an asset and the amount due to the factoring company is shown as a separate creditor within current liabilities.

The charges for this agreement are included in the profit and loss account as incurred.

Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the profit.

Deferred taxation
Provision is made at current rates for tax deferred in respect of all material timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	927,195	733,331
Social security costs	69,560	58,787
Other pension costs	3,680	3,867
	1,000,435	795,985

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

	2003	2002
Directors	4	4
Production	56	49
Office & administration	19	14
Selling	1	1
	80	68

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Operating lease income	(49,500)	(6,926)
Depreciation - owned assets	90,829	68,490
Depreciation - assets on hire purchase contracts	52,693	27,366
(Profit)/Loss on disposal of fixed assets	(9,807)	7,535
Auditors' remuneration	9,000	7,000
Foreign exchange differences	(29,591)	(1,318)
Directors' emoluments	136,448	111,044
Directors' pension contributions to money purchase schemes	3,321	3,867

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	2

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2003	2002
	£	£
Loss on disposal of investment	-	2

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	**2,652**	1,246
Interest on overdue taxation	**1,818**	1,240
Other interest	**14,469**	11,234
Factoring interest	**16,516**	24,363
Bank loan interest	**51,346**	29,499
Hire purchase	**14,165**	7,177
	100,966	74,759

6. 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	**28,516**	33,644
Deferred taxation	**3,977**	39,790
Tax on profit on ordinary activities	**32,493**	73,434

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

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:

	2003	2002
	£	£
Profit on ordinary activities before tax	**139,722**	223,177
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 20%)	**26,547**	44,635
Effects of:		
Expenses not deductible for tax purposes	**4,276**	8,063
Capital allowances for period in excess of depreciation	**(2,307)**	(19,054)
Current tax charge	**28,516**	33,644

7. PRIOR YEAR ADJUSTMENTS

	2002	2001
	£	£
The prior year adjustment comprises :-		
Overstated profit due to purchase creditor omission	-	194,750
Corporation tax thereon	-	63,294
	-	131,456

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 April 2002	**1,185,154**	**601,902**	**101,836**	**91,624**	**1,980,516**
Additions	**25,506**	**115,932**	**46,854**	**9,345**	**197,637**
Disposals	**(27,474)**	**-**	**-**	**-**	**(27,474)**
At 31 March 2003	**1,183,186**	**717,834**	**148,690**	**100,969**	**2,150,679**
DEPRECIATION:					
At 1 April 2002	**16,638**	**134,347**	**52,616**	**36,962**	**240,563**
Charge for year	**22,961**	**85,428**	**22,643**	**12,490**	**143,522**
Eliminated on disposals	**(3,781)**	**-**	**-**	**-**	**(3,781)**
At 31 March 2003	**35,818**	**219,775**	**75,259**	**49,452**	**380,304**
NET BOOK VALUE:					
At 31 March 2003	**1,147,368**	**498,059**	**73,431**	**51,517**	**1,770,375**
At 31 March 2002	1,168,516	467,556	49,220	54,662	1,739,954

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 April 2002	**304,874**	**62,490**	**367,364**
Additions	**65,431**	**-**	**65,431**
Disposals	**(21,824)**	**-**	**(21,824)**
At 31 March 2003	**348,481**	**62,490**	**410,971**
DEPRECIATION:			
At 1 April 2002	**23,164**	**14,567**	**37,731**
Charge for year	**43,108**	**9,585**	**52,693**
Eliminated on disposals	**(8,180)**	**-**	**(8,180)**
At 31 March 2003	**58,092**	**24,152**	**82,244**
NET BOOK VALUE:			
At 31 March 2003	**290,389**	**38,338**	**328,727**
At 31 March 2002	281,710	47,923	329,633

9. STOCKS

	2003	2002
	£	£
Stock	**1,087,299**	881,745

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	**489,320**	584,124
Other debtors	**-**	1,877
Prepayments	**87,896**	9,993
	577,216	595,994

Trade Debtors includes £442,133 (2002:£548,856) in respect of factored debts.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts (see note 13)	**206,353**	173,963
Director's loan (see note 13)	**15,123**	19,000
Other loans (see note 13)	**149,564**	149,564
Hire purchase contracts (see note 14)	**104,952**	84,775
Trade creditors	**615,793**	555,060
Other creditors	**42,366**	17,424
Factoring account loan	**274,862**	335,589
Directors' current accounts	**58,229**	24,520
V.A.T.	**79,319**	53,622
Social security & other taxes	**26,367**	37,228
Taxation	**28,516**	20,950
Accrued expenses	**25,281**	20,683
	1,626,725	1,492,378

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

	2003 £	2002 £
Bank loans (see note 13)	**877,982**	831,155
Other loans (see note 13)	**-**	50,000
Hire purchase contracts (see note 14)	**151,646**	186,351
	1,029,628	1,067,506

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	**103,522**	151,397
Bank loans	**102,831**	22,566
Director's loan	**15,123**	19,000
Other loans	**149,564**	149,564
	371,040	342,527
Amounts falling due between one and two years:		
Bank loans	**102,831**	47,389
Other loans	**-**	50,000
	102,831	97,389
Amounts falling due between two and five years:		
Bank loans	**308,492**	149,275
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	**466,659**	634,491

The director's loan is from Mr E E Massey.

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2003	2002
	£	£
Gross obligations repayable:		
Within one year	**117,767**	98,131
Between one and five years	**172,566**	212,663
	290,333	310,794
Finance charges repayable:		
Within one year	**12,815**	13,356
Between one and five years	**20,920**	26,312
	33,735	39,668
Net obligations repayable:		
Within one year	**104,952**	84,775
Between one and five years	**151,646**	186,351
	256,598	271,126

The following payments are committed to be paid within one year:

	Land and buildings operating leases	
	2003	2002
	£	£
Expiring:		
In more than five years	**17,250**	17,250

15. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank overdrafts	**103,522**	151,397
Bank loans	**980,813**	853,721
Hire purchase contracts	**256,598**	271,126
Factoring loan	**274,862**	335,589
	1,615,795	1,611,833

The bank overdraft and loans are secured by means of a first mortgage, dated 6 January 1986, on the freehold property at Bancroft Lane, Mansfield, Notts, a first mortgage, dated 28 September 2001, on the freehold property at Reed Mill, Sheepbridge Lane, Mansfield, Notts and an unscheduled mortgage debenture, dated 14 July 1995 incorporating a fixed and floating charge over all current and future assets of the company. Mr J S Massey, director, has also provided a personal guarantee.

The bank has a right of set-off incorporated into all the above charges.

The factoring loan is secured on the company's trade debtors.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred taxation	**73,651**	69,674

	Deferred tax
	£
Balance at 1 April 2002	**69,674**
Origination and reversal of timing differences	**3,977**
Balance at 31 March 2003	**73,651**

17. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003 £	2002 £
25,000	Ordinary Shares	£1	**25,000**	25,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
100	Ordinary Shares	£1	**100**	100

18. TRANSACTIONS WITH DIRECTORS

Mr E E Massey has granted the company a loan of £19,000. It is a short term loan, with no fixed repayment date. The balance on 31 March 2003 was £15,123 (2002 - £19,000)

The directors also have current accounts with the company, as follows;

Mr E E Massey; balance on 31 March 2003, £27,155 credit (2002 - £1,741 credit).

Mr J S Massey; balance on 31 March 2003, £19,249 credit (2002 - £13,125 credit).

Mr D Hansford; balance on 31 March 2003, £ nil (2002 - £9,654 credit)

Mr T Massey; balance on 31 March 2003, £11,825 credit (2002 - £nil)

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	**107,229**	149,743
Net addition to shareholders' funds	**107,229**	149,743
Opening shareholders' funds	**616,653**	466,910
Closing shareholders' funds	**723,882**	616,653
Equity interests	**723,882**	616,653

20. CONTROLLING PARTY

The company is controlled by Mr J S Massey by virtue of his ownership of 99% of the issued shared capital.