

REEDLEY CAR CENTRE LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 OCTOBER 2003

COMPANY REGISTRATION NUMBER 2101821

The director presents his report and the unaudited financial statements of the company for the year ended 31 October 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continues to be that of motor vehicle dealers.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

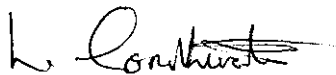
	Ordinary Shares of £1 each	
	31 October 2003	1 November 2002
G. Cornthwaite	<u>100</u>	<u>100</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the director

L. Cornthwaite.
Company Secretary



Approved by the director on 13/5/04



REEDLEY CAR CENTRE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2003

	Note	2003 £	2002 £
TURNOVER		582,256	592,637
Cost of sales		<u>538,252</u>	<u>552,769</u>
GROSS PROFIT		44,004	39,868
Distribution costs		15,625	15,697
Administrative expenses		4,468	6,515
Other operating income		<u>(6,000)</u>	<u>(6,000)</u>
OPERATING PROFIT	2	29,911	23,656
Interest payable		<u>3,705</u>	<u>4,269</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,206	19,387
Tax on profit on ordinary activities	4	<u>3,841</u>	<u>3,400</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		22,365	15,987
Equity dividends paid		<u>13,790</u>	<u>8,100</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		8,575	7,887
Balance brought forward		<u>52,253</u>	<u>44,366</u>
Balance carried forward		<u>60,828</u>	<u>52,253</u>

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

REEDLEY CAR CENTRE LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31 OCTOBER 2003**

	2003	2002
	£	£
Profit for the financial year	22,365	15,987
Surplus arising on revaluation of fixed assets	62,836	—
Total gains and losses recognised since the last annual report	85,201	15,987

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	22,365	15,987
Dividends	(13,790)	(8,100)
	8,575	7,887
Other net recognised gains and losses	62,836	—
Net addition to funds	71,411	7,887
Opening shareholders' funds	52,353	44,466
Closing shareholders' funds	123,764	52,353

REEDLEY CAR CENTRE LIMITED

BALANCE SHEET

YEAR ENDED 31 OCTOBER 2003

	Note	2003 £	£	2002 £	£
FIXED ASSETS					
Tangible assets	5		144,202		83,471
CURRENT ASSETS					
Stocks		84,000		81,900	
Debtors	6	2,823		9,597	
		86,823		91,497	
CREDITORS: Amounts falling due within one year	7	90,581		102,964	
NET CURRENT LIABILITIES			(3,758)		(11,467)
TOTAL ASSETS LESS CURRENT LIABILITIES			140,444		72,004
CREDITORS: Amounts falling due after more than one year	8		16,680		19,651
			123,764		52,353
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Revaluation reserve	11		62,836		—
Profit and loss account			60,828		52,253
EQUITY SHAREHOLDERS' FUNDS			123,764		52,353

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

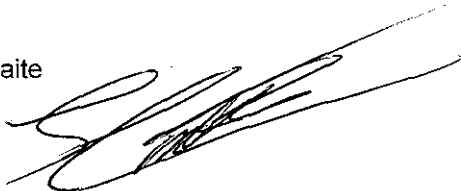
The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved and signed by the director on 13/5/04

G. Cornthwaite
Director



1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention modified to include the revaluation of fixed assets.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Depreciation

Depreciation is not provided on freehold land. On other assets it is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold Property	-	2% per annum
Plant & Machinery	-	15-25% per annum
Fixtures & Fittings	-	15-25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2003 £	2002 £
Depreciation	<u>2,105</u>	<u>2,169</u>

3. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Aggregate emoluments	<u>4,160</u>	<u>3,992</u>

REEDLEY CAR CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2003

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 17% (2002 - 14%)	4,174	3,400
Tax (over)/under provided in previous years	(333)	-
Total current tax	<u>3,841</u>	<u>3,400</u>
Tax on profit on ordinary activities	<u>3,841</u>	<u>3,400</u>

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 17% (2002 - 14%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>26,206</u>	<u>19,387</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	4,455	2,714
Effects of:		
Expenses not deductible for tax purposes	-	40
Depreciation in excess of capital allowances	205	646
Utilisation of tax losses	(71)	-
Adjustments to tax charge in respect of prior periods	(333)	-
Total current tax	<u>4,256</u>	<u>3,400</u>

REEDLEY CAR CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2003

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
COST OR VALUATION			
At 1 November 2002	87,164	5,393	92,557
Revaluation	62,836	—	62,836
At 31 October 2003	150,000	5,393	155,393
DEPRECIATION			
At 1 November 2002	6,108	2,978	9,086
Charge for the year	1,743	362	2,105
At 31 October 2003	7,851	3,340	11,191
NET BOOK VALUE			
At 31 October 2003	142,149	2,053	144,202
At 31 October 2002	81,056	2,415	83,471

6. DEBTORS

	2003 £	2002 £
Trade debtors	—	6,964
Other debtors	2,683	2,500
Prepayments and accrued income	140	133
	2,823	9,597

All debtors fall due within one year of the balance sheet date.

7. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	39,077	50,598
Trade creditors	274	4,867
Taxation and social security	—	3,400
Corporation tax	4,174	—
VAT	3,241	3,239
Other loans	200	200
Directors' loans	41,465	38,510
Accruals and deferred income	2,150	2,150
	51,230	47,499
	90,581	102,964

The directors loans are unsecured and interest free. No date has been set for repayment.

REEDLEY CAR CENTRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2003**

7. CREDITORS: Amounts falling due within one year (continued)

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

	2003 £	2002 £
Bank loans and overdrafts	<u>3,000</u>	<u>3,000</u>

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

	2003 £	2002 £
Bank loans and overdrafts	<u>16,680</u>	<u>19,651</u>

All liabilities disclosed under creditors falling due after more than one year are secured by the company.

9. CONTROLLING PARTY

Mr G Cornthwaite is the company's controlling party

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

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

Allotted, called up and fully paid:

	2003 £	2002 £
Ordinary share capital	<u>100</u>	<u>100</u>

11. REVALUATION RESERVE

	2003 £	2002 £
Revaluation of fixed assets	<u>62,836</u>	<u>-</u>
Balance carried forward	<u>62,836</u>	<u>-</u>