

SUMMERS MOTORS LIMITED

COMPANY NO. 02107343

DIRECTORS' REPORT AND FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000



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SUMMERS MOTORS LIMITED

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SUMMERS MOTORS LIMITED
DIRECTORS AND OFFICERS OF THE COMPANY
FOR THE YEAR ENDED 31ST MARCH 2000

DIRECTOR

B. G. P. Summers

SECRETARY

A. Y. Jay

REGISTERED OFFICE

82 High Street
Tenterden
Kent TN30 6JG

BANKERS

National Westminster Bank PLC
58 High Street
Tenterden
Kent

AUDITORS

Day, Peto & Co.
82 High Street
Tenterden
Kent TN30 6JG

SUMMERS MOTORS LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

Accounts

The directors present their report and financial statements for the year ended 31st March 2000.

Activities

The principal activities of the Company continue to be those of motor repairs and hire of vehicles.

Directors and Shareholdings

The director and his interest in the share capital at the balance sheet date were as follows:-

	<u>2000</u>	<u>1999</u>
	<u>Ordinary 1p Shares</u>	<u>Ordinary 1p Shares</u>
B. G. P. Summers	152	152

The remaining shares are held by associates of the director.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

A. Jay

Secretary

A Jay

SUMMERS MOTORS LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the director 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 REPORT TO THE SHAREHOLDERS OF

SUMMERS MOTORS LIMITED

FOR THE YEAR ENDED 31ST MARCH 2000

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the Company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

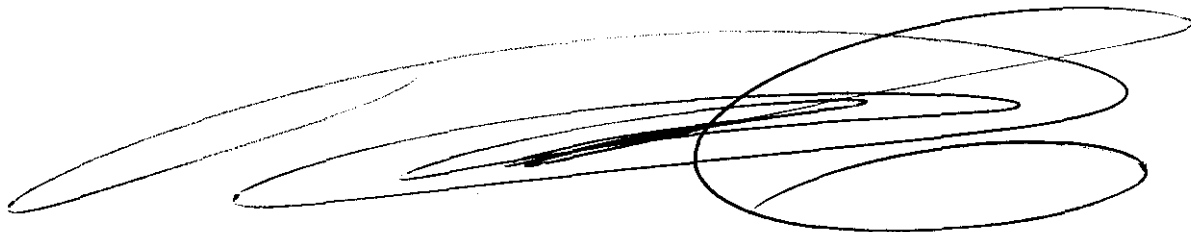
BASIS OF OPINION

We conducted our audit in accordance with 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 that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 2000 and of its profit and for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke, positioned above the printed name of the auditors.

Day, Peto & Co
Chartered Accountants
and Registered Auditors

21st September 2000

82 High Street
Tenterden
Kent
TN30 6JG

SUMMERS MOTORS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2000**

	Notes	2000 £	1999 £
Turnover	2	1,156,524	1,036,340
Cost of sales		887,211	798,610
		-----	-----
Gross Profit		269,313	237,730
Administrative expenses		224,908	173,242
		-----	-----
Operating profit	3	44,405	64,488
Loss on disposal of fixed assets		-	(23,947)
Interest receivable		23,448	12,616
Other income		273	-
		-----	-----
Profit on ordinary activities before taxation		68,126	53,157
Taxation	4	13,612	16,154
		-----	-----
Profit on ordinary activities after taxation		54,514	37,003
Dividends paid	5	-	12,000
		-----	-----
Retained profit for the year		54,514	25,003
Retained profit brought forward		856,124	831,121
		-----	-----
<u>Retained profits carried forward</u>		<u>910,638</u>	<u>856,124</u>

The notes on pages 7 to 11 form part of these financial statements.

SUMMERS MOTORS LIMITED

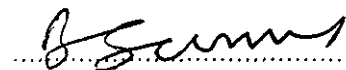
BALANCE SHEET

AS AT 31ST MARCH 2000

	Notes	2000	1999
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	6	295,284	268,174
<u>CURRENT ASSETS</u>			
Stocks		39,033	83,760
Debtors	7	108,462	126,054
Cash at bank and in hand		608,035	531,156
		-----	-----
		755,530	740,970
<u>CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR</u>			
Creditors	8	120,795	134,344
		=====	=====
<u>NET CURRENT ASSETS</u>		634,735	606,626
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		930,019	874,800
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
Deferred Taxation	9	19,379	18,674
		-----	-----
		910,640	856,126
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	10	2	2
Profit and Loss Account		910,638	856,124
		-----	-----
		910,640	856,126
		=====	=====

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Director on ...15th..September..2000.....



Director B Summers

The notes on pages 7 to 11 form part of these financial statements.

SUMMERS MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000

1. ACCOUNTING POLICIES

The Financial Statements are prepared under the historical cost convention.

The accounting policies which the directors have adopted are set out below:-

a) Depreciation of Tangible Fixed Assets -

Tangible fixed assets are depreciated at rates estimated to write off the cost of the assets evenly over their expected useful lives, at the following rates per annum:

Workshop	- 4% on a straight line basis
Plant and Machinery	- 15% on written down value
Office equipment	- 15% on written down value
Fixtures and fittings	- 15% on written down value
Motor vehicles	- 25% on written down value

b) Stocks -

Stocks are valued at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

c) Deferred Taxation -

Deferred taxation is provided, using the liability method, on all timing differences between the profit computed for taxation purposes and the profit stated in the financial statements to the extent that it is probable the liability will crystallise.

d) Pension Costs

The Company operates a pension scheme for the benefit of its employees. The pension scheme is a money purchase scheme. Pension contributions are charged to the profit and loss account in the accounting period in which they are payable. Any administrative expenses are charged to the profit and loss account when they are paid.

2. TURNOVER

Turnover represents the invoiced value, excluding value added tax, of goods sold and services provided to customers. None of the company's turnover related to exports. (1999 none).

SUMMERS MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2000

3. **OPERATING PROFIT**

Operating profit is arrived at after charging:	<u>2000</u>	<u>1999</u>
Directors emoluments	9,320	4,892
Depreciation	53,044	46,715
Hire of plant and machinery	954	2,231
Auditor's remuneration	3,777	3,264

4. **TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge is based on the profit for the year and is made up as follows:-

	<u>2000</u>	<u>1999</u>
Corporation Tax	12,880	15,109
Tax on franked investment income	27	-
Deferred tax movement (note 8)	705	1,045
	<u>-----</u>	<u>-----</u>
	<u>13,612</u>	<u>16,154</u>

5. **DIVIDENDS**

No dividends were paid in the year (1999 £60 per ordinary 1p share).

SUMMERS MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2000

6. TANGIBLE FIXED ASSETS

	Workshop £	Plant and Machinery £	Motor Vehicles £	Office Equipment £	Fixtures & Fittings £	Total £
Cost						
Opening Balance	124,325	164,314	210,587	40,450	7,608	547,284
Additions	-	49,515	55,460	695	-	105,670
Disposals	-	(1,750)	(60,744)	-	-	(62,494)
Closing Balance	124,325	212,079	205,303	41,145	7,608	590,460
Depreciation						
Opening Balance	45,170	96,374	113,698	19,056	4,812	279,110
Charge for the year	4,973	14,383	32,780	3,313	419	55,868
Disposals	-	(486)	(39,534)	-	-	(40,020)
Closing Balance	50,143	110,489	106,944	22,369	5,231	295,176
Net Book Value						
31st March 2000	74,182	101,590	98,359	18,776	2,377	295,284
31st March 1999	79,155	67,940	96,889	21,394	2,796	268,174

SUMMERS MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2000

7.	DEBTORS	<u>2000</u>	<u>1999</u>
	Trade debtors	100,813	113,415
	Other debtors	100	5,307
	Prepayments and accrued income	7,549	7,332
		-----	-----
		108,462	126,054
		=====	=====
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		<u>2000</u>	<u>1999</u>
	Trade creditors	49,014	64,909
	Other creditors	2,048	6,048
	Other taxation and social security	20,241	26,015
	Accruals and deferred income	24,380	3,560
	Corporation Tax	12,879	15,109
	Directors current account	12,233	18,703
		-----	-----
		120,795	134,344
		=====	=====
9.	DEFERRED TAXATION		
	a) Charge for year:-		
	Change in tax rate	-	-
	Increase in timing differences	705	1,045
		-----	-----
		705	1,045
		=====	=====
	b) Capital allowances in excess of depreciation		
	Provision at start of year	18,674	17,629
	Charge in year	705	1,045
		-----	-----
	Provision at end of year	19,379	18,674
		=====	=====
10.	SHARE CAPITAL	<u>2000</u>	<u>1999</u>
	Authorised		
	200,000 Ordinary shares of 1p each	2,000	2,000
		=====	=====
	Allotted and fully paid up		
	200 Ordinary Shares of 1p each	2	2
		=====	=====

SUMMERS MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST MARCH 2000

11. PENSION COSTS

The company operates a non-contributory pension scheme for its employees, including Mr. B. G. P. Summers. It is a money purchase scheme and contributions are charged in the profit and loss account as they fall due for payment. The charge for the year was £5,000. (1999 £5,000). Any administrative expenses are charged to the profit and loss account when they are paid. The charge for the year was £511. (1999 £837).

12. TRANSACTIONS WITH DIRECTORS, OFFICERS AND CONNECTED PERSONS

The following transactions occurred during the year:-

- i. The company paid the sum of £3,085 for book-keeping to A. Y. Jay during the year.
- ii. The company paid the sum of £587 for equipment to Plastic Renovations during the year, a business in which Mr. B. G. P. Summers is a partner.
- iii. The company paid the sum of £10,000 for rent to Summers Motors during the year, a business of which Mr. B. G. P. Summers is the sole proprietor.
- iv. The company invoiced the sum of £4,080 in respect of a motor vehicle to Summers Motors during the year, a business of which Mr. B. G. P. Summers is the sole proprietor.

The above transactions were under the normal business terms of the company.

13. RELATED PARTY TRANSACTIONS

The following transactions occurred in the year:-

- a) Amount paid in respect of labour and parts provided by related parties during the year:-
 - £2,042 to M. Summers, son of Mr. B. G. P. Summers
 - £2,042 to I. Summers, son of Mr. B. G. P. Summers
- b) Amounts invoiced to related parties during the year:-
 - £156 to I. Summers, son of Mr. B. G. P. Summers in respect of turnover

The above transactions were under the normal business terms of the company.

14. CONTROL RELATIONSHIP

The company is controlled by Mr. B. G. P. Summers being the sole director and holding 76% of the issued share capital.