

Registered

SUMMERS MOTORS LIMITED

COMPANY NO. 02107343

DIRECTORS' REPORT AND FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002



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**SUMMERS MOTORS LIMITED**

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**FOR THE YEAR ENDED 31ST MARCH 2002**

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SUMMERS MOTORS LIMITED

DIRECTORS AND OFFICERS OF THE COMPANY

FOR THE YEAR ENDED 31ST MARCH 2002

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 2002**

Accounts

The directors present their report and financial statements for the year ended 31st March 2002.

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>2002</u>        | <u>2001</u>        |
|------------------|--------------------|--------------------|
|                  | Ordinary 1p Shares | Ordinary 1p Shares |
| 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. Y. Jay*

A. Y. Jay  
Secretary

## 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 company's state of affairs at the year end and of the profit or loss of the Company for year then ended. In preparing those financial statements, the director is required to:

- select suitable accounting policies and apply them on a consistent basis making judgements and estimates that are prudent and reasonable;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is not appropriate 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.

**INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF**  
**SUMMERS MOTORS LIMITED**  
**FOR THE YEAR ENDED 31ST MARCH 2002**

We have audited the financial statements of Summers Motors Ltd for the year ended 31st March 2002 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out therein.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND AUDITORS**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Director's 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 information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

82 High Street  
Tenterden  
Kent TN30 6JG

Day, Peto & Co.  
Chartered Accountants  
and Registered Auditors

22nd August 2002

**SUMMERS MOTORS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 2002**

|                                               | <u>Notes</u> | <u>2002</u><br>£ | <u>2001</u><br>£ |
|-----------------------------------------------|--------------|------------------|------------------|
| Turnover                                      | 2            | 1,195,666        | 1,223,217        |
| Cost of sales                                 |              | <u>926,750</u>   | <u>931,326</u>   |
| Gross Profit                                  |              | 268,916          | 291,891          |
| Administrative expenses                       |              | <u>238,793</u>   | <u>234,052</u>   |
| Operating profit                              | 3            | 30,123           | 57,839           |
| Loss on disposal of fixed assets              |              | -                | 6,392            |
| Interest receivable                           |              | <u>2,163</u>     | <u>18,663</u>    |
| Profit on ordinary activities before taxation |              | 32,286           | 82,894           |
| Taxation                                      | 4            | <u>5,924</u>     | <u>15,280</u>    |
| Profit on ordinary activities after taxation  |              | 26,362           | 67,614           |
| Dividends paid                                |              | <u>-</u>         | <u>-</u>         |
| Retained profit for the year                  |              | 26,362           | 67,614           |
| Retained profit brought forward               |              | <u>978,252</u>   | <u>910,638</u>   |
| <u>Retained profits carried forward</u>       |              | <u>1,004,614</u> | <u>978,252</u>   |

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

**SUMMERS MOTORS LIMITED**

**BALANCE SHEET**

**AS AT 31ST MARCH 2002**

|                                                                 | <u>Notes</u> | 2002             | 2001           |
|-----------------------------------------------------------------|--------------|------------------|----------------|
|                                                                 |              | £                | £              |
| <b><u>FIXED ASSETS</u></b>                                      |              |                  |                |
| Tangible assets                                                 | 5            | 740,343          | 789,130        |
| <b><u>CURRENT ASSETS</u></b>                                    |              |                  |                |
| Stocks                                                          |              | 135,618          | 126,814        |
| Debtors                                                         | 6            | 110,827          | 169,123        |
| Cash at bank and in hand                                        |              | <u>153,848</u>   | <u>359,375</u> |
|                                                                 |              | 400,293          | 655,312        |
| <b><u>CREDITORS: AMOUNT FALLING<br/>DUE WITHIN ONE YEAR</u></b> |              |                  |                |
| Creditors                                                       | 7            | <u>116,060</u>   | <u>447,208</u> |
| <b><u>NET CURRENT ASSETS</u></b>                                |              |                  |                |
|                                                                 |              | <u>284,233</u>   | <u>208,104</u> |
| <b><u>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</u></b>         |              |                  |                |
|                                                                 |              | 1,024,576        | 997,234        |
| <b><u>PROVISION FOR LIABILITIES<br/>AND CHARGES</u></b>         |              |                  |                |
| Deferred Taxation                                               | 8            | <u>19,960</u>    | <u>18,980</u>  |
|                                                                 |              | <u>1,004,616</u> | <u>978,254</u> |
| <b><u>CAPITAL AND RESERVES</u></b>                              |              |                  |                |
| Called up share capital                                         | 9            | 2                | 2              |
| Profit and Loss Account                                         |              | <u>1,004,614</u> | <u>978,252</u> |
|                                                                 |              | <u>1,004,616</u> | <u>978,254</u> |

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 June 2002).

The financial statements were approved by the Director on .....16th August 2002.....



Director Mr. B. G. P. 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 2002

#### 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 |
| Freehold land         | - Nil                         |
| Freehold buildings    | - 4% on a straight line basis |
| Investment properties | - Nil                         |
| 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 operated 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. No contributions have been made since March 2000 when closure of the scheme was commenced. The scheme was finally closed on 28th December 2000.

#### 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. (2001 none).

**SUMMERS MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31ST MARCH 2002**

**3 OPERATING PROFIT**

|                                                |             |             |
|------------------------------------------------|-------------|-------------|
| Operating profit is arrived at after charging: | <u>2002</u> | <u>2001</u> |
| Directors emoluments                           | 5,085       | 4,162       |
| Depreciation etc.                              | 50,734      | 66,172      |
| Auditor's remuneration                         | 4,470       | 4,446       |

**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>2002</u>  | <u>2001</u>   |
| Corporation Tax on income for the year | 4,944        | 15,706        |
| Over-provision in prior year           | -            | (27)          |
| Deferred tax movement (note 8)         | 980          | (399)         |
|                                        | <u>5,924</u> | <u>15,280</u> |

**SUMMERS MOTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2002**

5 a) TANGIBLE FIXED ASSETS

|                       | Property<br>£ | Plant and<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Fixtures,<br>Fittings and<br>Office<br>Equipment<br>£ | Total<br>£ |
|-----------------------|---------------|-----------------------------|------------------------|-------------------------------------------------------|------------|
| <u>Cost</u>           |               |                             |                        |                                                       |            |
| Opening Balance       | 600,734       | 232,296                     | 262,049                | 52,580                                                | 1,147,659  |
| Additions             | 1,214         | 1,097                       | -                      | 15,379                                                | 17,690     |
| Disposals             | -             | (3,833)                     | (30,327)               | -                                                     | (34,160)   |
| Closing Balance       | 601,948       | 229,560                     | 231,722                | 67,959                                                | 1,131,189  |
| <u>Depreciation</u>   |               |                             |                        |                                                       |            |
| Opening Balance       | 56,258        | 128,759                     | 142,165                | 31,347                                                | 358,529    |
| Charge for the year   | 6,115         | 15,207                      | 27,826                 | 5,492                                                 | 54,640     |
| Disposals             | -             | (575)                       | (21,748)               | -                                                     | (22,323)   |
| Closing Balance       | 62,373        | 143,391                     | 148,243                | 36,839                                                | 390,846    |
| <u>Net Book Value</u> |               |                             |                        |                                                       |            |
| 31st March 2002       | 539,575       | 86,169                      | 83,479                 | 31,120                                                | 740,343    |
| 31st March 2001       | 544,476       | 103,537                     | 119,884                | 21,233                                                | 789,130    |

b) The net book value of property consists of the following:-

|                 |                |
|-----------------|----------------|
| Freehold        | 475,339        |
| Short leasehold | 64,236         |
|                 | <u>539,575</u> |

c) The Director considers the cost of the investment properties of £377,524 to represent their open market value at the balance sheet date.

**SUMMERS MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**FOR THE YEAR ENDED 31ST MARCH 2002**

|   |                                                              |                    |                    |
|---|--------------------------------------------------------------|--------------------|--------------------|
| 6 | <b><u>DEBTORS</u></b>                                        | <b><u>2002</u></b> | <b><u>2001</u></b> |
|   | Trade debtors                                                | 98,527             | 154,354            |
|   | Other debtors                                                | 2,997              | 7,891              |
|   | Prepayments and accrued income                               | 9,303              | 6,878              |
|   |                                                              | <u>110,827</u>     | <u>169,123</u>     |
| 7 | <b><u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b> |                    |                    |
|   |                                                              | <b><u>2002</u></b> | <b><u>2001</u></b> |
|   | Trade creditors                                              | 44,684             | 45,383             |
|   | Other creditors                                              | 13,700             | 340,173            |
|   | Other taxation and social security                           | 21,329             | 26,102             |
|   | Accruals and deferred income                                 | 4,873              | 8,314              |
|   | Corporation Tax                                              | 4,944              | 15,706             |
|   | Directors current account                                    | 26,530             | 11,530             |
|   |                                                              | <u>116,060</u>     | <u>447,208</u>     |
| 8 | <b><u>DEFERRED TAXATION</u></b>                              |                    |                    |
|   | a) Charge for year:-                                         |                    |                    |
|   | Change in tax rate                                           | -                  | -                  |
|   | Increase in timing differences                               | 980                | (399)              |
|   |                                                              | <u>980</u>         | <u>(399)</u>       |
|   | b) Capital allowances in excess of depreciation              |                    |                    |
|   | Provision at start of year                                   | 18,980             | 19,379             |
|   | Charge in year                                               | 980                | (399)              |
|   | Provision at end of year                                     | <u>19,960</u>      | <u>18,980</u>      |
| 9 | <b><u>SHARE CAPITAL</u></b>                                  | <b><u>2002</u></b> | <b><u>2001</u></b> |
|   | Authorised                                                   |                    |                    |
|   | 200,000 Ordinary shares of 1p each                           | <u>2,000</u>       | <u>2,000</u>       |
|   | Allotted and fully paid up                                   |                    |                    |
|   | 200 Ordinary Shares of 1p each                               | <u>2</u>           | <u>2</u>           |

## SUMMERS MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### FOR THE YEAR ENDED 31ST MARCH 2002

#### 10 PENSION COSTS

The company used to operate 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 £nil. (2001 £nil). Any administrative expenses are charged to the profit and loss account when they are paid. The charge for the year was £500. (2001 £359). The scheme was closed on 28th December 2000.

#### 11 TRANSACTIONS WITH DIRECTORS, OFFICERS AND CONNECTED PERSONS

The following transactions occurred during the year:-

- i. The company paid £8,812 for purchases to Summers Motors during the year, a business of which Mr. B. G. P. Summers is the sole proprietor.
- ii. The company paid the sum of £15,000 for rent to Summers Motors during the year, a business of which Mr. B. G. P. Summers is the sole proprietor.
- iii. The company made sales of £987 to Summers Motors during the year, a business of which Mr. B. G. P. Summers is the sole proprietor.
- iv. The company sold a car to Mrs. A. Jay for £2,500 during the year.

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

#### 12 RELATED PARTY TRANSACTIONS

The following transactions occurred in the year:-

- a) Amount paid in respect of administrative expenses to related parties during the year:-  
£151 to I. Summers, son of Mr. B. G. P. Summers

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

#### 13 CONTROL RELATIONSHIP

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