

COMPANY NUMBER 2123732

DAYS OF HEDINGHAM LTD.
33 Station Road,
Sible Hedingham,
Halstead,
Essex.
CO9 3QA

TRADING ACCOUNTS

For the Year Ended 31st May 1997



REPORT OF THE DIRECTORS FOR THE YEAR TO 31ST MAY 1997

The directors submit their annual report and accounts for the year ended 31st May 1997.

Review of business

The company's principle activity is that of car repairs and servicing together with second hand car sales. During the year the trade in car sales was substantially reduced and there was a reduction in repair work due to less insurance work being available.

Results and dividends

The loss for the year was £2339 (1996: Loss £1389). The state of the business is regarded satisfactory. The directors decided not to recommend the payment of a dividend for the year.

Directors

The directors during the year and the shares in the company in which they were beneficially interested were:-

	<u>At 1st June 1996</u>	<u>At 31st May 1997</u>
	<u>Ordinary Shares of £1 each</u>	<u>Ordinary Shares of £1 each</u>
J H Day	334	334
Mrs P J Day	333	333
O J Day	333	333

Donations

No political or charitable donations were made during the year.

Signed on behalf of the Board


J H Day (Director)

**REPORT OF THE ACCOUNTANT TO THE MEMBERS OF
DAYS OF HEDINGHAM LIMITED**

COMPANY NUMBER 2123732

I have examined, without carrying out an Audit, the accounts for the year to 31st May 1997 set out on pages 3 to 7.

Respective responsibilities of directors and accountants.

As described on page 4 the company's directors are responsible for the preparation of the accounts, and believe the company to be exempt from an audit. It is my responsibility to examine the accounts and, based on my examination, to report my opinion, as set out below, to the shareholders.

Basis of opinion.

I conducted my examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly I do not express an audit opinion on the Accounts. Therefore my examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion.

In my opinion:

(a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985:

(b) having regard to, and on the basis of, the information contained in those accounting records:

- (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act;
- (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not at any time within that year, fall within any of the categories not entitled to the exemption specified in section 249B(1).

ALAN J. RAYNER AAPA, ATII (REPORTING ACCOUNTANT)



STEVENS, RAYNER & CO.,
ACCOUNTANTS & REGISTERED AUDITORS,
5 HIGH STREET,
HALSTEAD,
ESSEX.
CO9 2AA

PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MAY 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TURNOVER		229,971	288,153
Cost of Sales		<u>163,778</u>	<u>217,793</u>
GROSS PROFIT		66,193	70,359
Administrative Expenses		<u>70,160</u>	<u>73,674</u>
OPERATING PROFIT (LOSS)	(2)	(3,967)	(3,313)
Interest Receivable		<u>1,628</u>	<u>1,926</u>
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,339)	(1,389)
Tax Payable		—	—
Tax Repaid		375	—
Surplus brought forward		<u>49,827</u>	<u>51,216</u>
SURPLUS AT 31ST MAY 1997		47,863 =====	49,827 =====

The notes set out on pages 5 to 7 form an integral part of these accounts.

BALANCE SHEET

<u>AS AT 31ST MAY 1997</u>	<u>Notes</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	7,071	9,799
<u>CURRENT ASSETS</u>			
Stock		8,767	9,544
Debtors		23,808	16,035
Prepayments	7	73	70
Cash at Bank and In Hand		43,270	47,086
		<u>75,918</u>	<u>72,735</u>
<u>CREDITORS: Amounts falling due within one year</u>	8	<u>17,226</u>	<u>(14,533)</u>
<u>NET CURRENT ASSETS</u>		<u>58,692</u>	<u>58,202</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		65,763	68,001
<u>CREDITORS: Amounts falling due after more than one year</u>	9	<u>(16,900)</u>	<u>(17,174)</u>
		<u>£48,863</u>	<u>£50,827</u>
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital		1,000	1,000
Profit and Loss Account		47,863	49,827
		<u>£48,863</u>	<u>£50,827</u>
		=====	=====

The directors are satisfied that the company is entitled to exemption under section 249A(2) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985; 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 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

In the preparation of the company's annual accounts, the directors have taken advantage of special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Approved by the Board on 14th October 1997 and signed on its behalf by

.....
J. H. Day (Director)

The notes set out on pages 5 to 7 form an integral part of these accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1997

ACCOUNTING POLICIES

1. (a) Basis of accounting

These accounts have been prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods used are as follows:-

Equipment fittings etc	25% reducing balance
Motor Vehicles	25% reducing balance

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Turnover

Turnover consists of the invoiced value (excluding Value Added Tax) of goods and services supplied to third parties.

(e) Taxation

The charge for taxation is based on the profit for the year.

	<u>1997</u>	<u>1996</u>	
2. <u>OPERATING PROFIT (LOSS)</u>			
Operating profit (loss) is stated after charging:			
Depreciation	2,275	3,265	
Directors' Emoluments	33,020	31,425	
Accountancy Charges	1,020	1,030	
	=====	=====	
3. <u>STAFF COSTS</u>			
The cost of employing staff, including directors was:			
Wages, Salaries and Fees	89,133	84,647	
Social Security costs	<u>7,799</u>	<u>7,062</u>	
	96,932	91,709	
	=====	=====	
The average weekly number of employees during the year, including directors was:			
Engineers	7	7	
Administration	2	2	
4. <u>DIRECTORS EMOLUMENTS</u>			
Salaries	33,020	31,415	
5. <u>TAXATION</u>			
U.K. Corporation Tax Repaid	375	—	
U.K. Corporation Tax Paid	—	—	
6. <u>TANGIBLE FIXED ASSETS</u>			
	<u>Plant</u>	<u>Motor</u>	<u>Total</u>
<u>COST</u>			
At 1st June 1996	46,822	15,580	62,402
Additions	372	350	722
Sale	—	(1,175)	(1,175)
	=====	=====	=====
At 31st May 1997	47,194	14,755	61,949
<u>DEPRECIATION</u>			
As at 1st June 1996	40,229	12,374	52,603
Charge for year	<u>1,741</u>	<u>534</u>	<u>2,275</u>
	=====	=====	=====
At 31st May 1997	41,970	12,908	54,878
<u>NET BOOK VALUE</u>			
At 1st June 1996	6,593	3,206	9,799
At 31st May 1997	5,224	1,847	7,071

	<u>1997</u>	<u>1996</u>
7. <u>DEBTORS</u>		
Trade Debtors	23,808	16,035
Prepayments	<u>73</u>	<u>70</u>
	<u>23,881</u>	<u>16,735</u>
	=====	=====
8. <u>CREDITORS: Amounts falling due within one year</u>		
Trade Creditors	8,347	7,558
Tax and Social Security costs	7,101	4,804
U.K. Corporation Tax		
Other Creditors	758	1,191
Accruals	<u>1,020</u>	<u>980</u>
	<u>17,226</u>	<u>14,533</u>
	=====	=====
9. <u>CREDITORS: Amounts falling due after more than one year</u>		
Director's Loan - J H Day	16,795	16,795
Director's Loan - O J Day	<u>105</u>	<u>379</u>
	<u>16,900</u>	<u>17,174</u>
	=====	=====
10. <u>SHARE CAPITAL</u>		
Authorised:		
1000 Ordinary Shares of £1 each	1,000	1,000
Issued and fully paid:		
1000 Ordinary Shares of £1 each	1,000	1,000

11. Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state 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 judgments and estimates that are reasonable and prudent;
- * prepare the statements on a 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 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 of fraud and other irregularities.