

MARK BAILEY RACING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002



Company No. 2324924

MARK BAILEY RACING LIMITED

Directors' Report for the year ended 31 March 2002

The directors have pleasure in submitting their report together with the financial statements of the company for the year ended 31 March 2002.

Principal activity and future developments

The principal activity of the company during the year was that of racing car transmission repairing, servicing and running of racing cars and the whole of the turnover was attributable to this activity. The directors of the company expect that the position of the company will be maintained during the next year.

Directors

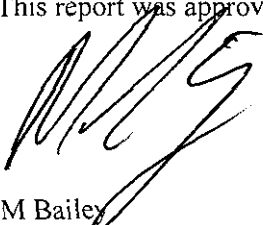
The directors at 31 March 2002 and their interests in the share capital of the company were as follows:

	31 March 2002	31 March 2001
M A C Bailey	80	80
C A Bailey	-	-
B E A Bailey	-	-

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 15 January 2003 and signed on its behalf.

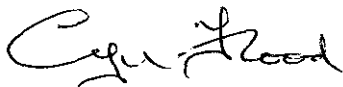


M Bailey
Director

MARK BAILEY RACING LIMITED

Accountants' Report on the unaudited financial statements to the Directors of
Mark Bailey Racing Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2002 set out on pages 3 to 9, and you consider that the company is exempt from audit. In accordance with your instructions, I have compiled these unaudited accounts in order to assist you to fulfill your statutory responsibilities, from the accounting records and information and explanations supplied to us, and I report that they are in accordance therewith.



Cyril Flood
Chartered Accountant
Second Floor
1 Church Square
Leighton Buzzard
Bedfordshire
LU7 1AE

15 January 2003

MARK BAILEY RACING LIMITED

Profit and Loss Account
for the year ended 31 March 2002

		2002 £	2001 £
Notes			
Turnover	2	224,267	232,326
Cost of Sales		173,890	157,168
Gross Profit		50,377	75,158
Overhead expenses		38,342	53,110
Operating profit	3	12,035	22,048
Interest receivable		22	-
Interest payable		5,180	1,986
Profit on ordinary activities before taxation		6,877	20,062
Taxation	4	644	-
Profit on ordinary activities after taxation		6,233	20,062
 Retained deficit brought forward		 (3,105)	 (23,167)
 Retained profit/(loss) carried forward		 3,128	 (3,105)

The notes on pages 6 to 9 form part of these financial statements.

MARK BAILEY RACING LIMITED
Balance Sheet as at 31 March 2002

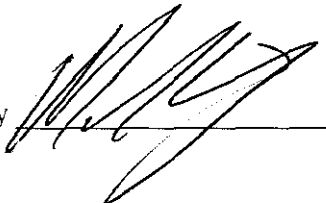
	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	5	40,483	41,345
Freehold property	6	45,544	45,199
		<u>86,027</u>	<u>86,544</u>
Current assets			
Stocks	7	35,779	56,274
Debtors	8	8,242	15,593
Cash at bank		52	32
		<u>44,073</u>	<u>71,899</u>
Creditors: amounts falling due within one year	9	97,667	112,856
		<u> </u>	<u> </u>
Net current liabilities		(53,594)	(40,957)
Creditors: amounts falling due After more than one year	10	(29,205)	(48,592)
		<u> </u>	<u> </u>
Net liabilities		3,228	(3,005)
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		3,128	(3,105)
		<u> </u>	<u> </u>
Shareholders' funds		3,228	(3,005)
		<u> </u>	<u> </u>

Continued.....

MARK BAILEY RACING LIMITED
Balance Sheet as at 31 March 2002 (continued)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.249A(1) of the Companies Act 1985. Members have not required the company, under section 249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31 March 2002. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s.221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 March 2002 and of its profit for the year then ended in accordance with the requirements of s.226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 15 January 2003 and signed on its behalf.

M Bailey  Director

The notes on pages 6 to 9 form part of these financial statements.

MARK BAILEY RACING LIMITED

Notes to the financial statements for the year ended 31 March 2002

1. Accounting Policies

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

c) Tangible fixed assets and depreciation

Tangible assets are stated at costs less depreciation:

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2 % straight line basis
Fixtures and fittings	10% straight line basis
Plant and machinery	15 % straight line basis
Motor Vehicles	25 % straight line basis
Patterns	15 % straight line basis

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company. The turnover and pre-tax profits are entirely attributable to the principal activity of the company.

3. Operating Profit

The operating profit is stated after charging:

	2002 £	2001 £
Directors remuneration	14,721	14,125
Depreciation of tangible assets	15,598	9,387

MARK BAILEY RACING LIMITED

Notes to the financial statements for the year ended 31 March 2002

4. Taxation

	2002 £	2001 £
Corporation tax	644	-
	—	—

5. Tangible fixed assets

	Patterns	Fixtures And Fittings	Motor vehicles	Plant & Machinery	Total
Costs					
At 1 April 2001	5,900	7,552	79,513	20,868	113,833
Additions	-	-	40,000	1,750	41,750
Disposal	-	-	40,000	-	40,000
At 31 March 2002	5,900	7,552	79,513	22,618	115,583
Depreciation					
At 1 April 2001	5,900	7,552	38,368	20,668	72,488
Charge for the year	-	-	14,275	337	14,612
Disposal	-	-	12,000	-	12,000
At 31 March 2002	5,900	7,552	40,643	21,005	75,100
Net Book Values					
At 31 March 2002	-	-	38,870	1,613	40,483
At 31 March 2001	-	-	41,145	200	41,345

6. Freehold property

	2002 £	2001 £
At 1 April 2001	47,948	46,828
Additions	1,330	1,120
Amortisation	(3,734)	(2,749)
At 31 March 2002	45,544	45,199

MARK BAILEY RACING LIMITED

Notes to the financial statements for the year ended 31 March 2002

	2002 £	2001 £
7. Stocks		
Raw materials & consumables	35,779	56,274
	2002 £	2001 £
8. Debtors		
Trade debtors	7,121	10,713
Vat recoverable	859	4,880
Other debtors	262	-
	8,242	15,593
	2002 £	2001 £
9. Creditors: amounts falling due within one year		
Trade creditors	16,625	9,242
Bank overdraft	12,382	25,436
Bank loan	14,192	16,707
Other taxation and social security	3,085	590
Corporation tax	644	-
Accruals	-	1,100
Sundry creditors	48,443	56,668
Hire Purchase	2,296	3,113
	97,667	112,856

The mortgage is secured by way of a fixed charge over the freehold property and is repayable over 25 years by March 2022.

**10. Creditors: amounts falling due
after more than one year**

Directors Loan	-	16,627
Mortgage	27,064	27,528
Hire purchase	2,141	4,437
	29,205	48,592

MARK BAILEY RACING LIMITED

Notes to the financial statements for the year ended 31 March 2002

	2002 £	2001 £
11. Called up share capital		
Authorised		
Ordinary Shares of £1 each	100	100
	—	—
Allotted, called up and fully paid		
Ordinary Shares of £1 each	100	100
	—	—