

GRAYHART LIMITED
FINANCIAL STATEMENTS

31 MARCH 1996

Registered number: 2422607

DEY & CO
CHARTERED ACCOUNTANTS
Chesterfield



GRAYHART LIMITED
FINANCIAL STATEMENTS
for the year ended 31 March 1996

CONTENTS

	Page
Company information	1
Directors' report	2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes	6

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
---	------------

GRAYHART LIMITED

COMPANY INFORMATION

31 March 1996

INCORPORATED	In England & Wales on 14 September 1989
NUMBER	2422607
DIRECTORS	K L Knight D Adlington
SECRETARY	K L Knight
REGISTERED OFFICE	Nether Farm Stubbing Court Wingerworth Chesterfield
BANKERS	Barclays Bank Rose Hill Chesterfield
ACCOUNTANTS	Dey & Co Chartered Accountants Brookdale 41 Clarence Road Chesterfield S40 1LH

GRAYHART LIMITED

DIRECTORS' REPORT

31 March 1996

The directors present their report and the financial statements for the year ended 31 March 1996.

Principal activity

The principal activity of the company continues to be that of the repair and sale of used motor vehicles.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1996 Ordinary shares	1 April 1995 Ordinary shares
K L Knight	50	50
D Adlington	50	50

In accordance with the Articles of Association, D Adlington retires by rotation and offers himself for re-election.

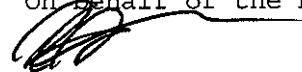
Reporting Accountants

The directors consider that for the year ended 31 March 1996 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the directors have appointed Dey & Co as Reporting Accountants. Their report is shown on page 3 of the financial statements.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board



K L Knight
Secretary

Nether Farm
Stubbing Court
Wingerworth
Chesterfield

GRAYHART LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the members
on the unaudited financial statements of
Grayhart Limited

We report on the financial statements for the year ended 31 March 1996 set out on pages 4 to 9.

Respective responsibilities of directors and reporting accountants
As described on page 5 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements 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 of companies not entitled to the exemption specified in section 249B(1).



Chesterfield

Dey & Co
Reporting Accountants

GRAYHART LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1996

	Note	1996 £	1995 £
Turnover	2	307,206	197,739
Cost of sales		(238,392)	(144,430)
Gross profit		68,814	53,309
Net operating expenses			
Administrative expenses		(56,344)	(51,007)
Other operating income		-	3
Operating profit	3	12,470	2,305
Interest payable	5	(1,112)	(631)
Profit on ordinary activities before taxation		11,358	1,674
Taxation		29	(576)
Profit on ordinary activities after taxation		11,387	1,098
retained for the year	13		

Movements in reserves are shown in note 13.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the profit for the year.

GRAYHART LIMITED

BALANCE SHEET

at 31 March 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	6		8,836		10,197
Current assets					
Stocks	7	62,974		10,400	
Debtors	8	2,172		4,996	
Cash at bank and in hand		34		-	
		<u>65,180</u>		<u>15,396</u>	
Creditors: amounts falling due within one year	9	(74,483)		(35,799)	
Net current liabilities			<u>(9,303)</u>		<u>(20,403)</u>
Total assets less current liabilities			(467)		(10,206)
Creditors: amounts falling due after more than one year	10		-		(1,619)
Provision for liabilities and charges			<u>(547)</u>		<u>(576)</u>
			<u>(1,014)</u>		<u>(12,401)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		(1,114)		(12,501)
Total shareholders' funds	11		<u>(1,014)</u>		<u>(12,401)</u>

continued

GRAYHART LIMITED

BALANCE SHEET
(continued)

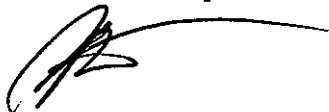
at 31 March 1996

The directors consider that for the year ended 31 March 1996 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 4 to 9 were approved by the board of directors on 28 January 1997.



K L Knight
Director

GRAYHART LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	20% reducing balance
---------------------	----------------------

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1995 nil)

GRAYHART LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

3 Operating profit

	1996 £	1995 £
Operating profit is stated after crediting		
Interest receivable	-	3
and after charging		
Depreciation of tangible fixed assets (note 6)		
owned assets	2,209	2,549

4 Directors

	1996 £	1995 £
Directors' emoluments	7,977	6,060

5 Interest payable

	1996 £	1995 £
Finance lease and hire purchase contracts	624	624
Other interest payable	488	7
	1,112	631

6 Tangible fixed assets

	Plant and Machinery etc £
Cost or valuation	
1 April 1995	23,518
Additions	848
31 March 1996	24,366
Depreciation	
1 April 1995	13,321
Charge for year	2,209
31 March 1996	15,530
Net book amount	
31 March 1996	8,836
1 April 1995	10,197

GRAYHART LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

7 Stocks

	1996 £	1995 £
Stocks	<u>62,974</u>	<u>10,400</u>

8 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	<u>2,172</u>	<u>4,996</u>

9 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank overdraft	1,102	889
Trade creditors	38,713	7,784
Other taxation and social security	5,681	1,927
Other Creditors	<u>28,987</u>	<u>25,199</u>
	<u>74,483</u>	<u>35,799</u>

10 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Other creditors	<u>-</u>	<u>1,619</u>
	<u>-</u>	<u>1,619</u>

Obligations under finance leases and hire purchase contracts

Amounts included above are repayable over varying periods by monthly instalments as follows:

In the next year	1,619	1,387
In the second to fifth years	<u>-</u>	<u>1,619</u>
	<u>1,619</u>	<u>3,006</u>

GRAYHART LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1996

11 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year representing a Net addition to shareholders' funds	15,137	1,098
Opening shareholders' funds	(12,401)	(13,499)
Closing shareholders' funds	<u>2,736</u>	<u>(12,401)</u>

12 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

13 Profit and loss account

	1996 £
1 April 1995	(12,501)
Retained profit for the year	<u>15,137</u>
31 March 1996	<u>2,636</u>

GRAYHART LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1996

	1996		1995	
	£	£	£	£
Turnover		307,206		197,739
Cost of sales				
Opening stock	10,400		9,900	
Purchases	290,966		144,930	
Closing stock	(62,974)		(10,400)	
		<u>238,392</u>		<u>144,430</u>
Gross profit		68,814		53,309
Other operating income				
Bank deposit interest		-		3
		<u>68,814</u>		<u>53,312</u>
Less overheads				
Wages	29,753		22,869	
National insurance costs	1,345		1,260	
Motor and travelling expenses	1,578		1,961	
Telephone charges	1,670		1,126	
Repairs and renewals	1,555		1,772	
Printing postage and stationery	1,619		1,570	
Insurance	4,714		5,444	
Heating and lighting	541		972	
Sundry expenses	268		389	
Directors' remuneration	7,977		6,060	
Bank charges	1,075		1,801	
Bank interest	488		7	
Hire purchase interest	624		624	
Bad debts	-		574	
Legal and professional fees	540		1,410	
Accountant's fees	1,500		1,250	
Depreciation	2,209		2,549	
		<u>57,456</u>		<u>51,638</u>
Net profit for the year		<u>11,358</u>		<u>1,674</u>