

AQUA CARS LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002**

COMPANY NUMBER

2952913

**RAY DYER CHARTERED ACCOUNTANTS
2 St. Georges Business Centre, St. Georges Square,
Old Portsmouth, Hampshire.**



AQUA CARS LIMITED

DIRECTORS

R. Leng

REGISTERED OFFICE

2 St. Georges Business Centre
St. Georges Square
Old Portsmouth
Hampshire

BANKERS

National Westminster Bank Plc
Commercial Road
Portsmouth
Hampshire

AUDITORS

Ray Dyer Chartered Accountants
Registered Auditors

2 St. Georges Business Centre
St. Georges Square
Old Portsmouth
Hampshire

COMPANY NUMBER

2952913

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and financial statements for the Year Ended 31 July 2002.

ACTIVITIES

The principal activity of the Company continued to be that of the operating of a taxi service..

RESULTS AND DIVIDENDS

The accounts show a profit before taxation of :
 This was all attributable to the principal activity.
 The Directors declared dividends during the Year of:
 The company transferred the following to Reserves for the Year:

2001	2002
402830	288923
80000	80000
228654	167902

DIRECTORS

The Directors who held office during the Year, were as follows:

R. Leng

Ordinary Shares of £1 each	
2001	2000
300	300

FIXED ASSETS

The fixed assets are shown in the notes to the accounts.

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution proposing the reappointment of Ray Dyer Chartered Accountants will be put to the Annual General Meeting.

REPORT OF THE DIRECTORS - continued.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 for that period. In preparing the accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the 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 that the accounts 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 and detection of fraud and other irregularities.

This report which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Board on 30/09/2002 and signed on its behalf.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'R. Leng', is written over a rectangular box.

R. Leng
Director
30 September 2002

REPORT OF THE AUDITORS

TO THE MEMBERS OF: AQUA CARS LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts, and to report our opinion to you.

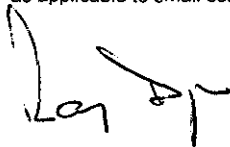
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgments by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation on information in the accounts.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 July 2002 and of its Results for the Year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.



RAY DYER CHARTERED ACCOUNTANTS
Registered Auditors

Old Portsmouth
Hampshire

30 September 2002

AQUA CARS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2002

	NOTES	2001 £	2002 £
Turnover	2	1247341	1265290
Cost of Sales		0	0
Gross Profit		1247341	1265290
Administrative Costs		258207	209727
Operating Costs		586729	775169
		402405	280394
Interest Receivable	4	0	0
Rents Receivable		5865	15497
Interest Payable	3	5440	6968
Profit on Ordinary Activities		402830	288923
Taxation	5	94176	41021
Profit after taxation for the Year		308654	247902
Dividends: Paid	12	80000 0	80000 0
Retained Profit		228654	167902
Profit and Loss Account Brought Forward		483447	712101
		712101	880003

The notes on pages 8 to 11 form an integral part of the Financial Statements.

All trading activities of the company are continued.

There were no other recognised gain or losses not reflected through the Profit and Loss Account.

AQUA CARS LIMITED

BALANCE SHEET AS AT 31 JULY 2002

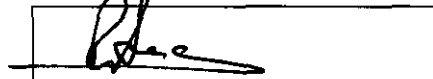
	NOTES	2001 £	2002 £
FIXED ASSETS	14	680587	1108965
INTANGIBLE ASSETS	20	0	0
CURRENT ASSETS			
Stock	7	0	0
Debtors	8	265018	164357
Bank and Cash		206272	194020
		471290	358377
LESS: CREDITORS Amounts payable within one year.	10	439366	498725
NET CURRENT ASSETS / LIABILITIES		31924	-140348
TOTAL ASSETS LESS CURRENT LIABILITIES		712511	968617
LESS: CREDITORS Amounts due after one year.	11	0	88204
		712511	880413
CAPITAL AND RESERVES			
Called up Share Capital	9	410	410
Profit and Loss Account	4	712101	880003
EQUITY INTERESTS		712511	880413

The notes on pages 8 to 11 form an integral part of the financial statements.

The Directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.

The financial statements were approved by the Board on:
30 September 2002 and signed on its behalf.

R. Leng
Director



30 Sep 2002

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002

1. ACCOUNTING POLICIES**BASIS OF ACCOUNTING**

The Financial Statements are prepared on the historical cost basis of accounting.

TURNOVER

Turnover represents gross invoices issued during the Year, less credit notes and Value Added Tax.

DEPRECIATION

Depreciation is calculated to write off the cost of fixed assets over their effective useful lives. The rates and bases of depreciation are as follows:

Long Leasehold Property	1% Straight Line
Freehold Property	Nil
Motor Vehicles	25% Reducing Balance
Office Equipment	15% Reducing Balance

STOCKS AND WORK IN PROGRESS

Stocks have been valued at the lower of cost and net realisable value. Cost of stock is determined by purchase price including transport and handling costs less trade discounts. Net realizable value means estimated selling price less all costs to be incurred in marketing, selling and distribution.

DEFERRED TAXATION

Provision is made at the current rates for deferred taxation in respect of all material timing differences except to the extent that in the opinion of the Directors there is reasonable probability that the liability will not arise in the foreseeable future.

LEASED ASSETS

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The cost of operating leases are charged to the profit and loss account as they accrue.

PENSION SCHEME

The Pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period. The scheme is a defined contributions scheme.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES

The turnover and pre-tax profit are attributable to the principal activity of the company.

3. INTEREST PAYABLE

	2001	2002
	£	£
Bank Overdraft	5440	0
Bank Loans	0	3403
Hire Purchase Interest	0	6968
	<u>5440</u>	<u>10371</u>

4. PROFIT ON ORDINARY ACTIVITIES

The Profit before taxation is stated after charging:

	2001	2002
	£	£
Auditors Remuneration	3000	3000
Directors Remuneration	20000	24000
Depreciation of Fixed Assets	100074	174495
Pension Contributions	4532	2937
Management Charges	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002

4. PROFIT ON ORDINARY ACTIVITIES (continued)

And after Crediting:
Interest Received
Management Charges
Profit on sale of Assets

2001	2002
£	£
2865	3220
0	0
0	0
<u>0</u>	<u>0</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation is based on the Profit for the Year, and comprises:
Corporation Tax at 20%
Underprovision for prior years
Deferred Taxation

2001	2002
£	£
94176	37960
0	3061
0	0
<u>94176</u>	<u>41021</u>

6. DIRECTORS AND EMPLOYEES

Wages and Salaries
Social Security Costs
Pension Scheme
Staff Medical Scheme

2001	2002
£	£
385908	504775
32652	35315
4532	2937
0	0
<u>423092</u>	<u>543027</u>

The average number of people (including Directors) employed by the company during the year was as follows:

	2001	2002
	£	£
Production, Distribution and Selling	0	0
Administration	42	44
	<u>42</u>	<u>44</u>

Remuneration in respect of directors was payable as follows:

	2001	2002
	£	£
Management Remuneration	20000	24000
Chairman / Highest Paid Director	<u>20000</u>	<u>24000</u>
Other Directors: £50001 to £55000	<u>0</u>	<u>0</u>

7. STOCKS AND WORK IN PROGRESS

Stock
Work in Progress

2001	2002
£	£
0	0
0	0
<u>0</u>	<u>0</u>

Stocks are valued by the Directors at the lower of cost or net realisable value.

8. TRADE DEBTORS

Trade Debtors
VAT Recoverable
Prepayments
Other Debtors

2001	2002
£	£
254006	156222
0	0
0	0
11012	8135
<u>265018</u>	<u>164357</u>

All amounts are receivable within 1 year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002

9. SHARE CAPITAL

			2001	2002
£ 1 Ordinary Shares	Authorised	Class A	1000	1000
	Allotted, called up and fully paid	Class A	400	400
		Class B	1000	1000
		Class B	10	10

10. CREDITORS

Amounts due within 1 Year

	2001	2002
	£	£
Trade Creditors	0	0
Bank Overdraft and Loans	75208	279773
PAYE and Other Taxes	141526	56131
Corporation Tax	94699	37960
Hire Purchase Account	37954	31721
Accruals and Other Creditors	5111	4500
Directors Loan Accounts	84868	88640
	439366	498725

11. CREDITORS

Amounts due after 1 Year

	2001	2002
	£	£
Hire Purchase Account	0	8943
Bank Loan Account	0	79261
	0	88204

12. DIVIDEND

	2001	2002
	£	£
Paid Ordinary Dividend of :	80000	80000

13. BANK OVERDRAFT AND LOANS

	2001	2002
	£	£
Bank Overdraft	75208	195881
Bank Loans: Repayable within 5 years	0	119460
Bank Loans: Repayable after 5 years	0	43693
	75208	359034

The overdraft and loans are secured by way of a debenture over the assets of the company, together with personal guarantees from the Director.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002

14. FIXED ASSETS

The fixed assets of the Company are as follows:

COST OR VALUATION

Goodwill
Freehold Property
Motor Vehicles
Office Equipment

DEPRECIATION

Goodwill
Freehold Property
Motor Vehicles
Office Equipment

NET BOOK VALUE

Goodwill
Freehold Property
Motor Vehicles
Office Equipment

BROUGHT FORWARD	ADDITIONS	DISPOSALS	CARRIED FORWARD
285966	25000	0	310966
163289	304159	0	467448
94668	49313	0	143981
512234	224401	0	736635
1056157	602873	0	1659030
BROUGHT FORWARD	CHARGE FOR YEAR	DISPOSALS	CARRIED FORWARD
31336	62193	0	93529
0	3509	0	3509
60635	12341	0	72976
283599	96452	0	380051
375570	174495	0	550065
BROUGHT FORWARD			CARRIED FORWARD
254630			217437
163289			463939
34033			71005
228635			356584
680587			1108965

15. DEFERRED TAXATION

Deferred Taxation provided and unprovided for in the financial statements is set out below. The unprovided for amount represents a contingent liability at the balance sheet date and is calculated using tax rates of 20%.

	Amount Unprovided	
	2001	2002
	£	£
Accelerated Capital Allowances	0	0
Unrealised Capital Gain	0	0
	0	0

16. CONTINGENT LIABILITIES

Deferred Taxation (see Note 15)
Bank Loan

2001	2002
£	£
0	0
0	0
0	0

17. MOVEMENT ON SHAREHOLDERS FUNDS

Profit for the Year
Less: Dividends and distributions

2001	2002
£	£
308654	247902
80000	80000
228654	167902

Opening Shareholders Funds

483447 712101

Closing Shareholders Funds

712101 **880003**

18. RELATED PARTY TRANSACTIONS

During the course of the Year, the company had no related-party transactions.