

Ryauto Limited

Accounts - 31 December 2003

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**Ryauto Limited**  
**Directors' report**  
**for the year ended 31 December 2003**

The directors present their report together with the accounts for the year ended 31 December 2003.

**Principal activity**

The principal activity of the company was the distribution, repairing and servicing of motor vehicles. The company ceased trading on 21 October 2002.

**Directors and their interests**

The directors of the company during the year were:-

|             |          |
|-------------|----------|
| P. W. Whale | Chairman |
| K. Hampson  |          |

The directors do not have any interests required to be disclosed under the Companies Act 1985.

**By order of the board**

*K Hampson*

Secretary  
22 April 2004

**Ryauto Limited**  
**Profit and loss account**  
**for the year ended 31 December 2003**

|                                                      | <u>Notes</u> | <u>2003</u><br>£ | <u>2002</u><br>£     |
|------------------------------------------------------|--------------|------------------|----------------------|
| <b>Turnover</b>                                      |              | -                | 21,127,973           |
| <b>Cost of sales</b>                                 |              | <u>-</u>         | <u>17,739,379</u>    |
| <b>Gross profit</b>                                  |              | -                | 3,388,594            |
| <b>Net operating expenses</b>                        | 2            | <u>-</u>         | <u>3,196,074</u>     |
| <b>Operating profit</b>                              | 3            | -                | 192,520              |
| <b>Exceptional item</b>                              |              |                  |                      |
| Net loss on disposal of discontinued operations      |              | <u>-</u>         | <u>(92,857)</u>      |
| <b>Profit on ordinary activities before interest</b> |              | -                | 99,663               |
| <b>Interest payable and similar charges</b>          | 6            | <u>-</u>         | <u>89,609</u>        |
| <b>Profit on ordinary activities before taxation</b> |              | -                | 10,054               |
| <b>Taxation</b>                                      | 7            | <u>-</u>         | <u>(5,950)</u>       |
| <b>Retained profit for the year</b>                  |              | <u><u>-</u></u>  | <u><u>16,004</u></u> |

As the company ceased trading in October 2002, the above results relate entirely to discontinued operations.

The notes set out on pages 4 to 8 form part of these accounts.

**Ryauto Limited**

**Balance sheet at 31 December 2003**

|                                                       | <u>Notes</u> | <u>2003</u><br>£   | <u>2002</u><br>£   |
|-------------------------------------------------------|--------------|--------------------|--------------------|
| <b>Creditors:</b> Amounts falling due within one year | 8            | <u>(758,193)</u>   | <u>(758,193)</u>   |
| <b>Capital and reserves</b>                           |              |                    |                    |
| Called up share capital                               | 9            | 500,002            | 500,002            |
| Profit and loss account                               |              | <u>(1,258,195)</u> | <u>(1,258,195)</u> |
| <b>Shareholders' funds</b>                            | 10           | <u>(758,193)</u>   | <u>(758,193)</u>   |

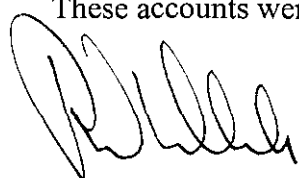
For the year ended 31 December 2003 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:-

- a) ensuring the company keeps accounting records which comply with section 221; and
- b) 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 section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board of directors on 22 April 2004.

  
K. Hampson } Directors

The notes set out on pages 4 to 8 form part of these accounts.

**1. Accounting policies**

The company has not traded during the year.

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies, which have been applied consistently, are set out below:-

a) Turnover

Turnover represents net sales, excluding value added tax.

b) Fixed assets

Motor vehicles and plant and equipment are stated at cost. Depreciation is provided, using the straight line method, to write off the cost of the assets over their estimated useful lives, as follows:-

|                     |                   |
|---------------------|-------------------|
| Motor vehicles      | Over 3 to 4 years |
| Plant and equipment | Over 7 years      |
| Computer equipment  | Over 3 to 5 years |

c) Leases

Assets held under finance leases are included with owned tangible fixed assets and the obligations thereto, excluding interest charges, are included in creditors.

The amount of payments which the company is committed to make within one year under operating leases is disclosed by way of note to the accounts. Costs in respect of operating leases are charged in arriving at the operating profit.

d) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, where transactions or events that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date.

Deferred tax assets are regarded as recoverable and recognised in the accounts when it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured, on an undiscounted basis, at the average tax rates expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted by the balance sheet date.

e) Pension costs

The company contributes to a defined benefit funded pension scheme and to a defined contribution money purchase scheme, both of which are operated on behalf of all Ryland Group subsidiaries, the contributions being based on pension costs across the group as a whole.

## Ryauto Limited

### Notes to the accounts (continued)

#### 1. Accounting policies (continued)

##### e) Pension costs (continued)

In respect of the defined benefit scheme the expected regular cost of pensions is charged to the profit and loss account so as to spread the cost of pensions over the average expected service period of employees in the scheme. Variations from regular cost are spread over the expected remaining service lives of employees currently in the scheme. The pension cost is estimated on the basis of independent actuarial advice.

Contributions payable under the defined contribution scheme are charged to the profit and loss account as they arise.

#### 2. Net operating expenses

|                         | <u>2003</u> | <u>2002</u> |
|-------------------------|-------------|-------------|
|                         | £           | £           |
| Distribution costs      | -           | 2,022,499   |
| Administrative expenses | -           | 1,173,575   |
|                         | <hr/>       | <hr/>       |
| Net operating expenses  | -           | 3,196,074   |

#### 3. Operating profit

Operating profit is stated after charging:-

|                                              | <u>2003</u> | <u>2002</u> |
|----------------------------------------------|-------------|-------------|
|                                              | £           | £           |
| Depreciation                                 | -           | 71,344      |
| Auditors' remuneration                       | -           | 1,000       |
| Operating lease rentals - land and buildings | -           | 212,539     |
|                                              | <hr/>       | <hr/>       |

#### 4. Directors

Mr P. W. Whale and Mr K. Hampson are also directors of the ultimate holding company and their emoluments and pension benefits are provided for in the accounts of the ultimate holding company, which from 1 September 2003 has been Ryland Group Limited, and which until 31 August 2003 was Ryland Investments Limited (formerly Ryland Group plc).

**Ryauto Limited**

**Notes to the accounts (continued)**

**5. Employees**

The aggregate payroll costs of employees including directors are analysed as follows:-

|                       | <u>2003</u> | <u>2002</u>      |
|-----------------------|-------------|------------------|
|                       | £           | £                |
| Wages and salaries    | -           | 1,689,517        |
| Social security costs | -           | 153,851          |
| Other pension costs   | -           | 46,790           |
|                       | <u>-</u>    | <u>1,890,158</u> |

The average monthly number of employees including directors during the year was nil (2002 - 89).

**6. Interest payable and similar charges**

|                                                   | <u>2003</u> | <u>2002</u>   |
|---------------------------------------------------|-------------|---------------|
|                                                   | £           | £             |
| Bank balance                                      | -           | (3,665)       |
| Interest receivable on deposits with manufacturer | -           | (2,427)       |
| Other                                             | -           | (898)         |
| Stock finance charges                             | -           | 96,599        |
|                                                   | <u>-</u>    | <u>89,609</u> |

**7. Taxation**

|                                                | <u>2003</u> | <u>2002</u>    |
|------------------------------------------------|-------------|----------------|
|                                                | £           | £              |
| Current tax:-                                  |             |                |
| U.K. corporation tax on profits for the year   | -           | 4,000          |
| Deferred tax:-                                 |             |                |
| Origination and reversal of timing differences | -           | (9,950)        |
| Tax credit                                     | <u>-</u>    | <u>(5,950)</u> |

**Ryauto Limited**

**Notes to the accounts (continued)**

**7. Taxation (continued)**

The current tax charge for the year is higher than the standard rate of U.K. corporation tax of 30% (2002 - 30%). The reasons are set out below:-

|                                                                                                                       | <u>2003</u><br>£ | <u>2002</u><br>£ |
|-----------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before taxation                                                                         | -                | 10,054           |
| Tax on profit on ordinary activities before taxation at the standard rate of U.K. corporation tax of 30% (2002 - 30%) | -                | 3,016            |
| Effects of:-                                                                                                          |                  |                  |
| Expenses not deductible for tax purposes                                                                              | -                | 14,652           |
| Capital allowances for the year in excess of depreciation                                                             | -                | (9,989)          |
| Capital loss                                                                                                          | -                | 2,069            |
| Group relief                                                                                                          | -                | (3,748)          |
| Reduction in tax rate for small companies                                                                             | -                | (2,000)          |
| Total current tax                                                                                                     | -                | 4,000            |

Included in the tax charge for the year is a current tax credit of £nil (2002 - £59,668) and a deferred tax charge of £nil (2002 - £33,879) representing the taxation effect of exceptional items.

**8. Creditors: Amounts falling due within one year**

Creditors represent an amount owed to the holding company.

**9. Called up share capital**

|                            | <u>Authorised</u><br>£ | Allotted,<br>called up<br>and<br><u>fully paid</u><br>£ |
|----------------------------|------------------------|---------------------------------------------------------|
| Ordinary shares of £1 each | 1,000,000              | 500,002                                                 |

**10. Reconciliation of movements in shareholders' funds**

|                               | <u>2003</u><br>£ | <u>2002</u><br>£ |
|-------------------------------|------------------|------------------|
| Profit for the financial year | -                | 16,004           |
| Opening shareholders' funds   | (758,193)        | (774,197)        |
| Closing shareholders' funds   | (758,193)        | (758,193)        |

## **Ryauto Limited**

### **Notes to the accounts (continued)**

#### **11. Pension schemes**

During the year ended 31 December 2002 the company contributed to two retirement benefit schemes:-

a) The Ryland Group Pension Scheme

This is a defined benefit funded pension scheme operated on behalf of all Ryland Group subsidiaries, the contributions being based on pension costs across the group as a whole. The assets of the scheme are held in a separate trustee administered fund. The contributions to the scheme are determined by an independent qualified actuary on the basis of triennial valuations. Details of the latest valuation are contained in the accounts of the ultimate holding company, Ryland Group Limited.

The triennial valuation has been updated, as at 31 December 2003, by a qualified independent actuary for the purposes of FRS17 "Retirement benefits". Details of the FRS17 valuation are contained in the accounts of the ultimate holding company, Ryland Group Limited.

The company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore accounts for contributions to the scheme as if it were a defined contribution scheme. The pension charge for the company for that year was £4,738.

b) The Ryland Group Pension Plan

This is a defined contribution scheme operated on behalf of all Ryland Group subsidiaries. The pension charge for the company for that year was £42,052.

#### **12. Ultimate holding company and ultimate controlling party**

The ultimate holding company is Ryland Group Limited, a company registered in England and Wales.

The company's ultimate controlling party is Mr. P. W. Whale.

#### **13. Related party disclosures**

The company is a wholly owned subsidiary of Ryland Group Limited. Transactions with the ultimate holding company and other subsidiary undertakings of Ryland Group Limited are not disclosed.

There are no other related party disclosures to be made concerning 2003 or 2002.