LITTLESTRONG LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2004

Registered Number 4217021

29



DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2004
The director presents his report and the company's financial statements for the year ended 30 September 2004.

PRINCIPAL ACTIVITY
The company's principal activity continues to be that of motor vehicle body repairers.

DIRECTORS
The director at 30 September 2004 and his interest in the company's £1 ordinary shares was as follows:-

| | 30-9-04 | 30-9-03 |
|---|---|---|
| M Wilmer | 1 | 1 |

SMALL COMPANY RULES
This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.
It was approved by the board on 19 May 2005 and signed on its order.

G W Saunders
Secretary

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2004

| | Notes | 2004 £ | 2003 £ |
|---|---|---|---|
| TURNOVER | 1 | 1077876 | 1014806 |
| Cost of sales | | 778795 | 709868 |
| GROSS PROFIT | | 299081 | 304938 |
| Administrative expenses | | 332733 | 302827 |
| OPERATING PROFIT/(LOSS) | 2 | (33652) | 2111 |
| Interest paid | | 3708 | 5198 |
| (LOSS) ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION | | (37360) | (3087) |
| RETAINED (LOSS) BROUGHT FORWARD | | (29398) | (26311) |
| RETAINED (LOSS) CARRIED FORWARD | | (66758) | (29398) |

The attached notes 1 to 9 form part of these financial statements.

BALANCE SHEET AS AT 30 SEPTEMBER 2004

| | Notes | 2004 £ | 2003 £ |
|---|---|---|---|
| TANGIBLE FIXED ASSETS | 4 | 37880 | 35683 |
| CURRENT ASSETS | | | |
| Stock and work-in-progress | | 45107 | 44418 |
| Debtors | 5 | 61752 | 92799 |
| Cash in hand | | 326 | 381 |
| | | 107185 | 137598 |
| CREDITORS-amounts falling due within one year | 6 | 211594 | 188616 |
| NET CURRENT ASSETS (LIABILITIES) | | (104409) | (51018) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (66529) | (15335) |
| CREDITORS-amounts falling due after more than one year | 7 | 228 | 14062 |
| NET (LIABILITIES) | | (66757) | (29397) |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 1 | 1 |
| Profit and loss account-adverse balance | | (66758) | (29398) |
| (DEFICIENCY OF) SHAREHOLDERS' FUNDS | | (66757) | (29397) |

The director considers 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 s.249B(2) of the Companies Act 1985, to obtain an audit for the financial year. The director acknowledges his 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 the end of the financial period and of its profit for the period 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 PartV11 of the Companies Act 1985 applicable to small companies were approved by the board on 19 May 2005 and signed on its behalf.

M Wilmer
Director
The attached notes 1 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2004

## 1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Going concern
In keeping with many start-up companies, the company has made trading losses in the first three years of trading. The director considers, with the forecasts that have been made, that the company is on track to achieving profitability. With continuing bank support and controls that are in place he believes that the company will be profit making shortly.
Therefore , he believes it is appropriate to prepare the financial statements on the going concern basis.

(c) Turnover
Turnover comprises the invoiced value of services supplied by the company, net of Value Added Tax.

(d) Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost 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:
Plant & equipment At rates between 10%-25% on cost, from date of purchase

(e) Operating leases
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

(f) Deferred tax
No provision has been made for deferred tax as any potential liability would be expected to be relieved by losses brought forward.

## 2. OPERATING PROFIT /(LOSS)

| | 2004 | 2003 |
|---|---|---|
| | £ | £ |
| Shown after accounting for: | | |
| Director's emoluments | 42500 | 43417 |
| Depreciation of Tangible fixed assets-owned | 1443 | 1272 |
| -subject to loans | 5637 | 2034 |
| Hire of equipment | 36318 | 34283 |

## 3. TAXATION

There is no tax to pay on the result and there are losses of approximately £86000 to carry forward to offset against future profits.

NOTES TO THE FINANCIAL STATEMENTS-continued
For the year ended 30 September 2004

4. TANGIBLE FIXED ASSETS

| | Plant & Equipment | TOTAL |
|---|---|---|
| | £ | £ |
| COST | | |
| As at 1 October 2003 | 39976 | 39976 |
| Additions | 9277 | 9277 |
| Disposals | - | - |
| As at 30 September 2004 | 49253 | 49253 |
| DEPRECIATION | | |
| As at 1 October 2003 | 4293 | 4293 |
| Charge for the year | 7080 | 7080 |
| On disposals | - | - |
| As at 30 September 2004 | 11373 | 11373 |
| NET BOOK VALUE | | |
| | 37880 | 37880 |
| As at 30 September 2003 | 35683 | 35683 |

Included above are assets held under an extended credit agreement with a net book value amounting to £35803 (2003: £32845).

5. DEBTORS-all amounts due within one year

| | 2004 | 2003 |
|---|---|---|
| | £ | £ |
| Trade debtors | 59906 | 90964 |
| Other debtors | 1846 | 1835 |
| | 61752 | 92799 |

NOTES TO THE FINANCIAL STATEMENTS-continued
For the year ended 30 September 2004

6. CREDITORS-amounts falling due within one year

| | 2004 | 2003 |
|---|---|---|
| | £ | £ |
| Bank loan and overdraft | 73685 | 74976 |
| Trade creditors | 85682 | 50560 |
| Social security and other taxes | 29173 | 30912 |
| Other creditors | 2550 | 10807 |
| Loan secured on fixed assets | 20504 | 21361 |
| | 211594 | 188616 |

The bank loan and overdraft are secured by a charge over the assets of the director.

7. CREDITORS-amounts falling due after one year

| | 2004 | 2003 |
|---|---|---|
| | £ | £ |
| Bank loan | 228 | 3382 |
| Loan secured on fixed assets | - | 10680 |
| | 228 | 14062 |

8. SHARE CAPITAL

| | 2004 | 2003 |
|---|---|---|
| | £ | £ |
| Authorised-100 ordinary shares of £1 each | 100 | 100 |
| Allotted, called-up and fully paid:- | | |
| 1 ordinary share of £1 each | 1 | 1 |

9. OTHER COMMITMENTS

At 30 September 2004, the company had annual commitments under non-cancellable operating leases as follows:-

| | 2004 | 2003 |
|---|---|---|
| | £ | £ |
| Expiry date: | | |
| Under one year | 13021 | 7450 |
| More than five years | 58500 | 58500 |