

4490421

XS Racing Limited

Director's report

For the year ended 31 July 2004

The Directors submit their report together with the financial accounts for the year ended 31 July 2004

Principal Activity and Review of Business

The principal activities of the company are repairing and servicing high performance automobiles and rally cars.

Results

Details of the results for the year are set out on page 3. The profits for the financial year amounted to £3988.28

Dividend

The directors do not recommend the payment of a dividend

Directors

The following directors were appointed on 1 August 2002

Bryan Jonathan Robin Cropper

Steven James Garcia Perez

Neither of the directors had any beneficial interest in the shares of the company.

Employees

The company ensures the health, safety and welfare of employees by providing safe workplaces and complying fully with all relevant health and safety standards including those imposed by the Safety, Health and Welfare at Work Act, 1989.

The company is committed to an active policy of equal opportunity from selection and recruitment, through training and development, appraisal and promotion.

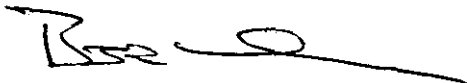
Directors' responsibilities

The directors are required to prepare financial statements that give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

On behalf of The Directors



Bryan Jonathan Robin Cropper

Director

2 April 2004

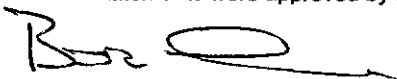


XS Racing Ltd**Balance Sheet as at 31st July 2004**

	<u>2004</u>	<u>2003</u>
Fixed Assets		
Plant and machinery	3,486.51	4,648.68
Office Equipment	1,180.05	827.00
Furniture and Fixtures	5,611.58	4,808.61
Company Motor Vehicles	<u>6,918.75</u>	<u>1,725.00</u>
Current Assets	17,196.90	12,009.29
Debtors	46,122.39	47,688.30
Deposits and Cash	134.02	23.08
Bank Account	13,622.08	17,840.02
Stock	<u>1,031.79</u>	<u>475.34</u>
Current Liabilities	60,910.28	66,026.74
Creditors : Short Term	34,351.80	20,031.71
Taxation	1,965.43	1,651.54
Vat Liability	<u>4,658.92</u>	<u>12,210.03</u>
	40,976.15	33,893.28
Current Assets Less Current Liabilities:	<u>19,934.13</u>	<u>32,133.46</u>
Total Assets less Current Liabilities:	<u>37,131.03</u>	<u>44,142.75</u>
Long Term Liabilities	34,612.31	45,612.31
Total Assets less Total Liabilities:	<u><u>2,518.72</u></u>	<u><u>(1,469.56)</u></u>
Capital & Reserves		
Issued share capital	2.00	2.00
P & L Account	<u>2,516.72</u>	<u>(1,471.56)</u>
	<u><u>2,518.72</u></u>	<u><u>(1,469.56)</u></u>

For the year ended 31 July 2004 the company was entitled to exemption under section 249a(1) of the Companies Act. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge responsibility for: i) Ensuring the company keeps accounting records which comply with section 221; and ii) 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 its true 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.

The financial statements were approved by the Directors on 2/4/05



Bryan Jonathan Robin Cropper
Director

XS Racing Ltd**Profit & Loss Account for the year ended 31st July 2004****2003**

Sales	293,323.31		
Product Sales	293,323.31	233,194.78	
	293,323.31		233,194.78
Purchases	143,770.12		
Opening stock	475.34		
Purchases	144,245.46	87,056.59	
Purchases Charges		18.00	
Less Closing Stock	1,031.79	475.34	
	143,213.67		86,599.25
Direct Expenses			
Sales Promotion	5,041.63	3,875.01	
	5,041.63		3,875.01
Gross Profit/(Loss):	145,068.01		142,720.52
Overheads			
Gross Wages	97,123.73	80,179.75	
Rent and Rates	21,180.22	13,642.95	
Heat, Light and Power	2,215.56	1,088.52	
Motor Expenses	1,909.62	917.72	
Travelling and Entertainment	907.45	1,534.26	
Printing and Stationery	3,971.34	3,963.42	
Professional Fees	195.00	233.89	
Tooling and Consumables	1,144.01	10,701.81	
Maintenance	2,799.90	22,881.20	
Bank Charges and Interest	518.69	308.27	
General Expenses	3,185.25	4,598.68	
Depreciation	5,928.96	4,141.61	
	141,079.73		144,192.08
Net Profit/(Loss):	<u>3,988.28</u>		<u>(1,471.56)</u>