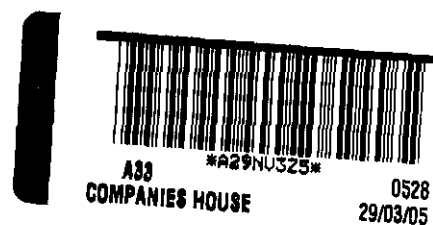

SILK MOTORS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 AUGUST 2004



SILK MOTORS LIMITED

COMPANY INFORMATION

DIRECTORS	NFA Silk
SECRETARY	Mrs AM Wheatley
COMPANY NUMBER	04843607 (England and Wales)
REGISTERED OFFICE	Swan Foundry Langley Stratford-upon-Avon Warwickshire CV37 0HN
ACCOUNTANTS	CHAMBERLAINS (Accountancy and Taxation) Limited Woodfield Bickenhill Lane Catherine de Barnes Solihull West Midlands B92 0DF

SILK MOTORS LIMITED

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SILK MOTORS LIMITED

ACCOUNTANT'S REPORT TO THE DIRECTORS

As described on page 1 of the Directors' Report and Financial Statements for the period ended 31 August 2004 the company's directors are responsible for their preparation and for the information set out on pages 3 to 8, which they consider to be exempt from audit under the Companies Act 1985. In accordance with instructions given to us by the directors we have assisted with the preparation of the financial statements, using the accounting records, information and explanations provided to us, in order for them to fulfil their statutory responsibilities.

CHAMBERLAINS (Accountancy and Taxation) Limited
Woodfield
Bickenhill Lane
Catherine de Barnes
Solihull
West Midlands
B92 0DF

Certified Accountants

Chamberlains

8 February 2005

SILK MOTORS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2004

	Note	2004 £
FIXED ASSETS		
Per Schedule		37,874
CURRENT ASSETS		
Stock	1	11,296
Debtors	2	12,393
Cash at Bank and in Hand		7,752
		31,441
LESS CREDITORS: Due within one year		
Creditors	3	61,944
NET CURRENT ASSETS/(LIABILITIES)		(30,503)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,371
CREDITORS: Due after more than one year		(3,126)
PROVISION FOR LIABILITIES AND CHARGES		(150)
NET ASSETS		4,095
CAPITAL AND RESERVES		
Share Capital	4	3,995
Revenue Reserves		100
SHAREHOLDERS' FUNDS		4,095

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B(2) 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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2004 and of its profit or loss for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the act relating to the financial statements so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), were approved and signed by the directors on 8 February 2005.


 NFA Silk - Director

SILK MOTORS LIMITED

SCHEDULE OF FIXED ASSETS

AS AT 31 AUGUST 2004

	VEHICLES	EQUIPMENT	GOODWILL	TOTAL
	£	£	£	£
COST				
Introduced	4,000	2,000	30,000	36,000
Additions	6,299	2,200	-	8,499
	<u>10,299</u>	<u>4,200</u>	<u>30,000</u>	<u>44,499</u>
Disposals	(4,000)	-	-	(4,000)
Carried Forward	<u>6,299</u>	<u>4,200</u>	<u>30,000</u>	<u>40,499</u>
DEPRECIATION				
Charge for Period	1,575	1,050	-	2,625
Carried Forward	<u>1,575</u>	<u>1,050</u>	<u>-</u>	<u>2,625</u>
WRITTEN DOWN VALUE				
As at 31 August 2004	<u>4,724</u>	<u>3,150</u>	<u>30,000</u>	<u>37,874</u>

SILK MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2004

	Note	2004 £				
1	ACCOUNTING POLICIES					
	Accounting Convention					
	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).					
	Turnover					
	The turnover for the period comprises invoiced sales of goods and services derived from ordinary trading activities and is stated net of any trade discounts, VAT or any other sales taxes.					
	Depreciation					
	Depreciation has been provided for on the reducing balance method on the cost of the assets at the following rates:-					
	<table><tr><td>Vehicles</td><td>25%</td></tr><tr><td>Equipment</td><td>25%</td></tr></table>	Vehicles	25%	Equipment	25%	
Vehicles	25%					
Equipment	25%					
	Stock and Work in Progress					
	Stock and work in progress are valued by the directors at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads, where appropriate.					
	Vehicle Stock	9,596				
	Parts Stock	1,700				
		<u>11,296</u>				
	Leasing and Hire Purchase					
	Assets obtained under finance leases and hire purchase contracts are capitalised as tangible fixed assets and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Operating lease rentals are charged to the profit and loss account as they are incurred.					
	Deferred Taxation					
	Deferred taxation is provided for under the liability method on the difference between the written down value for taxation purposes and the value included in the accounts.					
2	DEBTORS					
	Due within one year	<u>12,393</u>				
3	CREDITORS					
	Due within one year	<u>61,944</u>				
4	SHARE CAPITAL					
	Authorised					
	100 Ordinary Shares of £1 each	<u>100</u>				
	Issued and Fully Paid					
	100 Ordinary Shares of £1 each	<u>100</u>				
	The issued share capital was allotted during the year at par.					