MITCHELL OUTBOARD SERVICES LIMITED

ANNUAL REPORT AND ACCOUNTS

1ST MARCH 2000 TO 28TH FEBRUARY 2001

Company Registered Number SCO 44174

SCT SJZLIOBO 0878
COMPANIES HOUSE 02/05/01

W STEWART FERGUSON & CO
CHARTERED ACCOUNTANTS

SUITE 406
BALTIC CHAMBERS
50 WELLINGTON ST
GLASGOW G2 6HJ
0141 226 5433

16 LOVAT AVE
BEARSDEN
GLASGOW G61 3LQ
0141 942 7468

DIRECTORS' REPORT

The directors present their report to the members, together with the annual accounts for the year ended 28th February 2001.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year is the sale and servicing of outboard engines and marine equipment.

DIRECTORS

The directors of the company and their interests in the shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

	1/3/2000	28/2/2001
	Ordinary shares of £1 each	
J D LESLIE	1899	0
A MALTMAN	101	2000

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements 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 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;
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

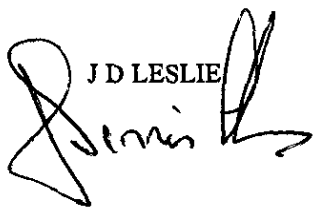
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint the auditors, W Stewart Ferguson & Co. C.A. will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 12th April 2001 and signed on their behalf by:



J D LESLIE Director

PROFIT AND LOSS ACCOUNT

for the year ended 29th February 2001

	Notes	£	2001 £	£	2000 £
TURNOVER	1		**201143**		209074
Cost of Sales			**130881**		147684
GROSS PROFIT			**70262**		61390
Distribution costs		**21412**		19406	
Administrative expenses		**48403**		55318	
			69815		74724
OPERATING PROFIT/-LOSS	2		**447**		-13334
Interest receivable		**228**		638	
Interest payable and similar charges		**0**		0	
			228		638
PROFIT/-LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			**675**		-12696
Tax on profit/-loss on ordinary activities	3		**0**		-54
PROFIT/-LOSS FOR THE FINANCIAL YEAR on ordinary activities after taxation			**675**		-12642
DIVIDEND			**7000**		0
RETAINED PROFIT/-LOSS transferred to reserves	10		**-6325**		-12642

The notes on pages 4 to 6 form an integral part of these accounts

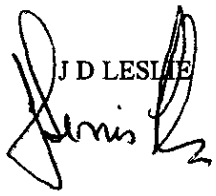
BALANCE SHEET AS AT 29TH FEBRUARY 2001

	Notes		2001		2000
					£
FIXED ASSETS					
Tangible assets	4		422		634
Investments	5		2400		2400
			2822		3034
CURRENT ASSETS					
Stocks	6	50629		47712	
Debtors	7	13996		12177	
Cash at bank		3697		13824	
		68322		73713	
CREDITORS: Amounts falling due within one year	8	46431		45709	
NET CURRENT ASSETS			21891		28004
TOTAL ASSETS LESS CURRENT LIABILITIES			24713		31038
CAPITAL AND RESERVES					
Called up share capital	9		2000		2000
Profit and loss a/c	10		22713		29038
SHAREHOLDERS FUNDS			24713		31038

For the year ended 28th February 2001 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No notice has been deposited under s249B.2 in relation to the accounts for the financial year. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Act and 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 loss for the financial year in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of this Act relating to accounts as far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies, and the Financial Reporing Standard for Smaller Entities (effective March 2000).

APPROVED BY THE BOARD OF DIRECTORS ON 12th APRIL 2001 AND SIGNED ON THEIR BEHALF BY



J D LESLIE Director

The notes on pages 4 to 6 form an integral part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 2001

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION. The accounts are prepared under the historical cost convention, and the *Financial Reporting Standard for Smaller Entities (effective March 2000).*

TURNOVER. Represents net invoiced sales of goods and services, excluding VAT

DEPRECIATION of tangible fixed assets is provided at the following annual rates in order to write off each each asset over its estimated useful life:

Plant and machinery	25% of cost
Motor vehicles	25% of cost

STOCKS are valued at the lower of cost and net realisable valuable. Cost consists of purchase invoice costs and, where appropriate, attributable overheads.

DEFERRED TAXATION. Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

PENSIONS. The company has a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. The cost of the contributions made by the company to the scheme are charged to profit and loss account as incurred. This amounted to £5862 (1999 £5962) in the year.

2. OPERATING PROFIT/-LOSS

	2001	2000
The operating profit/-loss is stated after charging:	**£**	£
Depreciation on tangible fixed assets	**212**	212
Directors' emoluments	**35963**	42050
Auditors remuneration	**0**	0
Operating lease rentals:		
land and buildings	**10500**	9806

Number of directors for whom benefits are accruing under a money purchase scheme were 2 (2000 2).

3. TAX ON PROFIT/-LOSS ON ORDINARY ACTIVITIES

Corporation tax on current years results	**0**	0
Adjustment in respect of prior years	**0**	16
	0	16

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 2001

4. TANGIBLE FIXED ASSETS

	Fittings	Plant & machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st March 2000	8951	1481	7995	18427
Additions	0	0	0	0
Disposals	0	0	0	0
				0
At 28th February 2001	8951	1481	7995	18427
Depreciation				
At 1st March 2000	8951	847	7995	17793
On disposals	0	0	0	0
Charge for year	0	212	0	212
At 28th February 2001	8951	1059	7995	18005
Written down amount as at 28/2/2001	**0**	**422**	**0**	**422**
Written down amount as at 29/2/2000	0	634	0	634

5. FIXED ASSET INVESTMENT

	2001	2000
Other investments:	£	£
At cost	2400	2400

6. STOCKS

Work in progress	2645	4488
Finished goods and goods for resale	47984	43224
	50629	47712

7. DEBTORS

Trade Debtors	13996	12177
Corporation tax recoverable	0	0
Others	0	0
	13996	12177

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 2001

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001	2000
	£	£
Loans from directors	152	4
Trade Creditors	36508	38920
Other creditors	9191	3539
Other taxes & social security	580	3246
Corporation tax for year	0	0
	46431	45709

FINANCIAL COMMITMENTS

Operating lease commitments Land and buildings		
Annual commitments which expire:		
Between two and five years	10500	9000

9. CALLED UP SHARE CAPITAL

Authorised		
6000 Ordinary shares of £1 each	6000	6000
Allotted, called up and fully paid		
2000 Ordinary shares of £1 each	2000	2000

10. RESERVES - PROFIT AND LOSS ACCOUNT

At 1st March 2000	29038	41750
Retained profit/-loss for the year	-6325	-12712
At 28th February 2001	22713	29038

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 28th February 2001

				2001		2000
	%	%	£	£	£	£
SALES				**201143**		209074
COST OF SALES						
Purchases			**103271**		119570	
Wages and NIC			**27000**		27593	
Loose tools and maintenance			**610**		521	
				130881		147684
GROSS PROFIT	**34.93**	29.36		**70262**		61390
DISTRIBUTION COSTS						
Rent			**11428**		9787	
Rates			**4671**		4781	
Insurance			**1599**		1903	
Heat and light			**1734**		1742	
Repairs & renewals			**0**		34	
Telephone			**661**		635	
Advertising and selling expenses			**1319**		524	
	10.65%	9.28%	**21412**		19406	
ADMINISTRATIVE EXPENSES						
Directors' salaries and NIC			**34157**		40967	
Directors' pension contributions			**4661**		4661	
Motor expenses			**3074**		3772	
Stationery			**754**		277	
Travel			**258**			
Accountancy fees			**3000**		3300	
Bank charges			**1418**		1256	
Bad debts written off			**0**		0	
Miscellaneous expenses			**869**		873	
Depreciation			**212**		212	
	24.06%	26.46%	**48403**		55318	
				69815		74724
TRADING PROFIT/-LOSS				**447**		-13334
INTEREST RECEIVED				**228**		638
TOTAL PROFIT/LOSS				**675**		-12696

MITCHELL OUTBOARD SERVICES LIMITED

CORPORATION TAX COMPUTATION YEAR TO 28TH FEBRUARY 2001

	£
PROFIT PER ACCOUNTS	675
ADD DEPRECIATION	212
	887
ADD CAPITAL ALLOWANCES	324
ADJUSTED LOSS	1211
LOSS BROUGHT FORWARD	14699
LOSS TO CARRY FORWARD	13488

CAPITAL ALLOWANCES COMPUTATION	GENERAL POOL
	£
W D V BROUGHT FORWARD	1296
W D A AT 25%	324
W D V CARRIED FORWARD	972