MITCHELL OUTBOARD SERVICES LIMITED

ANNUAL REPORT AND ACCOUNTS

1ST MARCH 2001 TO 28TH FEBRUARY 2002

Company Registered Number SCO 44174



W STEWART FERGUSON & CO
CHARTERED ACCOUNTANTS

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DIRECTORS' REPORT

The directors present their report to the members, together with the annual accounts for the year ended 28th February 2002.

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-Mar-01	28-Feb-02
	Ordinary shares of £1 each	
J D LESLIE	-	-
A MALTMAN	2,000	2,000

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 20th May 2002 and signed on their behalf by:

A MALTMAN Director



PROFIT AND LOSS ACCOUNT

for the year ended 28th February 2002

	Notes	£	28-Feb-02 £	£	28-Feb-01 £
TURNOVER	1		227,309		201,143
Cost of Sales			151,687		130,881
GROSS PROFIT			75,622		70,262
Distribution costs		22,237		21,412	
Administrative expenses		48,111		48,403	
			70,348		69,815
OPERATING PROFIT/-LOSS	2		5,274		447
Interest receivable		101		228	
Interest payable and similar charges		-		-	
			101		228
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			5,375		675
Tax on profit on ordinary activities	3		55		-
PROFIT FOR THE FINANCIAL YEAR on ordinary activities after taxation			5,320		675
DIVIDEND			10,000		7,000
RETAINED PROFIT transferred to reserves	10		(4,680)		(6,325)

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

BALANCE SHEET AS AT 28TH FEBRUARY 2002

	Notes	£	28-Feb-02 £	£	28-Feb-01 £
FIXED ASSETS					
Tangible assets	4		210		422
Investments	5		2,400		2,400
			2,610		2,822
CURRENT ASSETS					
Stocks	6	42,355		50,629	
Debtors	7	18,722		13,996	
Cash at bank		9,107		3,697	
		70,184		68,322	
CREDITORS: Amounts falling due within one year	8	52,761		46,431	
NET CURRENT ASSETS			17,423		21,891
TOTAL ASSETS LESS CURRENT LIABILITIES			20,033		24,713
CAPITAL AND RESERVES					
Called up share capital	9		2,000		2,000
Profit and loss a/c	10		18,033		22,713
SHAREHOLDERS FUNDS			20,033		24,713

For the year ended 28th February 2002 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 profit 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 20th MAY 2002 AND SIGNED ON THEIR BEHALF BY

A MALTMAN 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 2002

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 **£4530** (2001 £5861) in the year.

2. OPERATING PROFIT

	28-Feb-02	28-Feb-01
The operating profit is stated after charging:	**£**	£
Depreciation on tangible fixed assets	**212**	212
Directors' emoluments	**36,357**	35,963
Auditors remuneration	**-**	-
Operating lease rentals:		
land and buildings	**10,500**	10,500

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

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax on current years results	**10**	-
Adjustment in respect of prior years	**45**	-
	55	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 2002

4. TANGIBLE FIXED ASSETS

	Fittings	Plant & machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st March 2001	8,951	1,481	7,995	18,427
Additions	-	-	-	-
Disposals	-	-	(7,995)	(7,995)
				-
At 28th February 2002	8,951	1,481	-	10,432
Depreciation				
At 1st March 2001	8,951	1,059	7,995	18,005
On disposals	-	-	(7,995)	(7,995)
Charge for year	-	212	-	212
At 28th February 2002	8,951	1,271	-	10,222
Written down amount as at 28/2/2002	**-**	**210**	**-**	**210**
Written down amount as at 28/2/2001	-	422	-	422

5. FIXED ASSET INVESTMENT

	28-Feb-02	28-Feb-01
Other investments:	£	£
At cost	2,400	2,400

6. STOCKS

Work in progress	1,944	2,645
Finished goods and goods for resale	40,411	47,984
	42,355	50,629

7. DEBTORS

Trade debtors	18,722	13,996
Others debtors	-	-
	18,722	13,996

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 2002

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	28-Feb-02	28-Feb-01
	£	£
Loans from directors	265	152
Trade Creditors	36,707	36,508
Other creditors	8,018	5,375
Other taxes & social security	7,761	4,396
Corporation tax for year	10	-
	52,761	46,431

FINANCIAL COMMITMENTS

Operating lease commitments	Land and buildings	
Annual commitments which expire:		
Between two and five years	10,500	10,500

9. CALLED UP SHARE CAPITAL

Authorised		
6000 Ordinary shares of £1 each	6,000	6,000
Allotted, called up and fully paid		
2000 Ordinary shares of £1 each	2,000	2,000

10. RESERVES - PROFIT AND LOSS ACCOUNT

At 1st March 2001	22,713	29,038
Retained profit	(4,680)	(6,325)
At 28th February 2002	18,033	22,713