

Company Registration No. 78564 (Scotland)

THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
(COMPANY LIMITED BY GUARANTEE)

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2003



**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
(COMPANY LIMITED BY GUARANTEE)**

Company Information

Directors

I B M Lyle
J S Cowan
R G Davenport
M N C Gascoigne
J S McRae
C N Hilton

Secretary

J C Lord

Company Number

78564 Registered in Scotland

Registered Office

31 Melville Street
Edinburgh
EH3 7JQ

Accountants

Bain & Company
11 The Grange
Perceton
Ayrshire
KA11 2EU

Business address

St James Business Centre
Linwood Road
Paisley
PA3 3AT

Bankers

The Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
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**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
(COMPANY LIMITED BY GUARANTEE)**

Directors' Report

For the year ended 31 December 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities

The principal activity of the company continued to be that of the promotion and administration of Motor Sport in Scotland.

Directors

The following directors have held office since 1 January 2003.

I B M Lyle
J S Cowan
R G Davenport
M N C Gascoigne
J S McRae
C N Hilton

Directors' responsibilities

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:

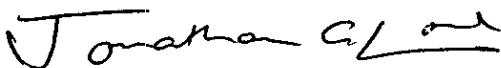
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

Small Company exemptions

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

By order of the board

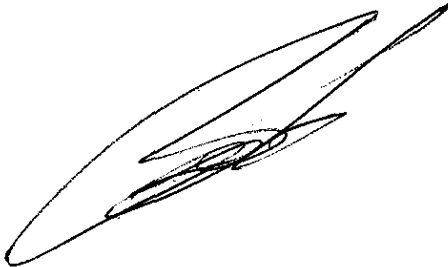


J C Lord
Secretary
3 August 2004

**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
(COMPANY LIMITED BY GUARANTEE)**

**ACCOUNTANTS REPORT
TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF THE ROYAL
SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED.**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2003, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Bain & Company
Accountants
11 The Grange
Perceton
Ayrshire
KA11 2EU

3 August 2004

THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
(COMPANY LIMITED BY GUARANTEE)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover		188,308	181,134
Cost of sales		124,707	130,650
Gross Profit		<u>63,601</u>	<u>50,484</u>
Administrative expenses		(64,581)	(50,495)
Operating (loss)	3	<u>(980)</u>	<u>(11)</u>
Other income		211	699
Profit/(loss) on ordinary activities before taxation		<u>(769)</u>	<u>688</u>
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) on ordinary activities after taxation	8	<u>(769)</u>	<u>688</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
(COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31 DECEMBER 2003**

	Notes	£	2003 £	£	2002 £
Fixed assets					
Tangible assets	5		1		1
Current assets					
Debtors	6	30,186		5,606	
Cash at bank and in hand		402		20,316	
R S A C current account		—		<u>833</u>	
		30,588		26,755	
Creditors: amounts falling due within one year	7	<u>(54,787)</u>		<u>(47,194)</u>	
Net current liabilities			(24,199)		(20,439)
Total assets less current liabilities			(24,198)		(20,438)
Reserves					
Profit and loss account	8		(24,198)		(20,438)

In preparing these financial statements:

The directors are of the opinion that the company is entitled to exemption from audit conferred by Section 249A(1) of the Companies Act 1985.

Members have not requested the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985, and

The directors acknowledge their responsibilities for:

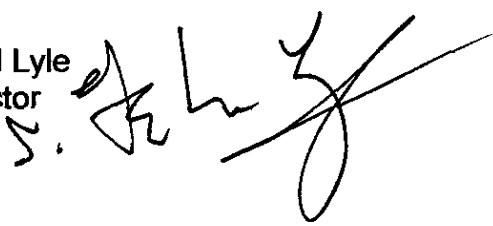
Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

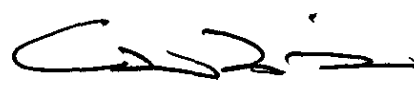
These financial statements have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 3 August 2004

I B M Lyle
Director



C N Hilton
Director



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 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 March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Equipment	25% Straight line
Motor vehicles	25% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 Basis of preparing the financial statements

At the year end the balance sheet reflected net liabilities of £(24,198) (2002 - £(20,438)) but the income and expenditure for the year showed a deficit of £(769) (2002 -£688). The directors have prepared projected cash flow information to the end of 2004 and projected income and expenditure information to the end of 2004. This information indicates a positive cash- flow situation and a continuing operating surplus and therefore the directors consider it appropriate to prepare the financial statements on the going concern basis.

3 Operating profit/(loss)

	2003	2002
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	-	135
Operating lease rentals	4,209	4,320
Accountancy fees	544	500
Auditors remuneration	-	-
	<u> </u>	<u> </u>

4 Taxation

The company has estimated losses of £25,076 (2002- £24,307) available for carry forward against future trading profits.

No corporation tax is payable for the year as a result of trading losses brought forward.

**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003**

5 Tangible fixed assets

	Plant and Machinery £
Cost	
At 1 January 2003 and at 31 December 2003	1,725
Depreciation	
At 1 January 2003	1,724
Charge for the year	-
At 31 December 2003	1,724
Net book value	
At 31 December 2003	<u>1</u>
At 31 December 2002	<u>1</u>

6 Debtors	2003	2002
	£	£
Other debtors	29,001	5,606
Prepayments	1,185	-
	<u>30,186</u>	<u>5,606</u>

7 Creditors: amounts falling due within one year	2003	2002
	£	£
Trade creditors	45,142	23,233
Contribution received in advance	-	18,500
Development fund	2,398	3,504
Accruals	7,225	500
Other creditors	22	1,457
Current account – Royal Scottish Automobile Club	-	-
	<u>54,787</u>	<u>47,194</u>

**THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003**

8 Statement of movements on profit and loss account

	2003	Profit and loss account 2002
	£	£
Balance at 1 January 2003	(20,438)	(21,126)
Retained (loss) for the year	(769)	688
Prior year adjustment	(2,991)	-
	<u> </u>	<u> </u>
Balance at 31 December 2003	(24,198)	(20,438)
	<u> </u>	<u> </u>

9 Reconciliation of movements in members' funds

	2003	2002
	£	£
Profit/(loss) for the financial year	(769)	688
Opening members' funds	(20,438)	(21,126)
Prior year adjustment	(2,991)	-
	<u> </u>	<u> </u>
Closing members' funds	(24,198)	(20,438)
	<u> </u>	<u> </u>

10 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable leases as follows:

	Land and buildings	Other		
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within one year	-	-	3,240	4,320
Between two and five years	-	-	-	3,240
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	3,240	7,560
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11 Related party transactions

The directors of the company, R G Davenport and M N C Gasgoigne, are also members of the general committee of the Royal Scottish Automobile Club. (In receivership)

At the 31 December 2003 the company had the following debts owed by the Royal Scottish Automobile Club:

Current account balance outstanding - £ nil (2002 - £(833))

THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
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DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
£	£	£
Turnover		
Scottish Rally	101,130	112,598
Veteran & vintage run	5,674	5,444
Hill rally	19,092	20,641
British Rally championships	12,086	10,000
Consultancy	700	500
Authorisation fees	6,096	6,588
Motor Sport development fees	39,000	18,500
205 Challenge income	-	1,300
U K Rally challenge income	4,530	5,563
	<u>188,308</u>	<u>181,134</u>
Cost of sales		
Scottish rally	103,929	110,981
Veteran & vintage run	568	418
Hill rally	19,404	18,219
British Rally championships	806	676
205 Challenge	-	356
	<u>124,707</u>	<u>130,650</u>
Gross profit	<u>63,601</u>	<u>50,484</u>
Administration expenses	<u>64,581</u>	<u>50,495</u>
Operating profit/(loss)	(980)	(11)
Interest received	<u>211</u>	<u>699</u>
Profit/(loss) before taxation	<u>(769)</u>	<u>688</u>

THE ROYAL SCOTTISH AUTOMOBILE CLUB (MOTOR SPORT) LIMITED
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SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
	£	£
Administrative expenses		
Wages and salaries	41,983	28,827
Event unit	1,092	1,364
Newsletter (net)	4,152	2,885
Rent	4,209	3,893
Printing, postage and stationery	1,119	886
Telephones	3,685	2,683
Motor vehicle expenses	5,714	4,828
Travelling expenses	266	449
Entertaining	-	192
Accountancy fees	544	500
Sundry expenses	2,608	1,186
Subscriptions	-	-
Depreciation	-	135
Provision for bad debts	(791)	2,667
	64,581	50,495