ADAM PURVES GALASHIELS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003

Company Registration No. SCO194613 (Scotland)

HOGG & THORBURN CA
PURV02



ADAM PURVES GALASHIELS LIMITED

COMPANY INFORMATION

Directors	Ian E Purves Margaret O Purves Andrew A Purves
Secretary	Margaret O Purves
Company number	SCO194613
Registered office	Wilderhaugh GALASHIELS Scottish Borders TD1 1PW
Auditors	Hogg & Thorburn Moat House 14 Gala Park GALASHIELS Scottish Borders TD1 1EX
Business address	Wilderhaugh GALASHIELS Scottish Borders TD1 1PW
Bankers	Royal Bank of Scotland plc 35 Bank Street GALASHIELS Scottish Borders TD1 1EP
Solicitors	Pike & Chapman 36 Bank Street GALASHIELS Scottish Borders TD1 1ER

ADAM PURVES GALASHIELS LIMITED

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ADAM PURVES GALASHIELS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2003

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

Principal activities and review of the business
The principal activity of the company continued to be that of motor garage operators including forecourts, shops and car wash facilities as well as selling vehicles.

The company now operate as Mitsubishi Motor Dealers based in Melrose.

The company opened a retail outlet to sell gifts, artworks and antiques at Melrose during August 2002.

The net profit after providing for taxation amounted to £104,384 (2002 - £91,310).

A review of the operations of the company during the financial year and the results of those operations are as follows:

Turnover and gross profit have both increased from that of 2002.

Other operating and administrative costs have also increased substantially from 2002 resulting in an a slight reduction in the profit before taxation from that of 2002.

Results and dividends
The results for the year are set out on page 4.

Directors
The following directors have held office since 1 April 2002:

Ian E Purves
Margaret O Purves
Andrew A Purves

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2003	**1 April 2002**
Ian E Purves	184,850	184,850
Margaret O Purves	162,050	162,050
Andrew A Purves	-	-

Charitable donations	**2003**	**2002**
	£	**£**
During the year the company made the following payments:		
Charitable donations	-	390

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hogg & Thorburn be reappointed as auditors of the company will be put to the Annual General Meeting.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

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 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 board

Margaret O Purves
Director
8-8-2003

ADAM PURVES GALASHIELS LIMITED

AUDITORS' REPORT TO ADAM PURVES GALASHIELS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the year ended 31 March 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.

Hogg & Thorburn

Hogg & Thorburn

19-6-2003

Chartered Accountants
Registered Auditor

Moat House 14 Gala Park
GALASHIELS
Scottish Borders
TD1 1EX

ADAM PURVES GALASHIELS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Gross profit		683,284	596,200
Administrative expenses		(526,558)	(431,217)
Operating profit	2	156,726	164,983
Other interest receivable and similar income		415	3,008
Interest payable and similar charges	3	(30,025)	(28,129)
Profit on ordinary activities before taxation		127,116	139,862
Tax on profit on ordinary activities	4	(22,732)	(48,552)
Profit on ordinary activities after taxation	14	104,384	91,310

ADAM PURVES GALASHIELS LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	5		1,185,663		1,148,576
Current assets					
Stocks	6	433,367		345,962	
Debtors	7	324,983		260,944	
Cash at bank and in hand		37,856		19,437	
		796,206		626,343	
Creditors: amounts falling due within one year	8	(677,802)		(508,802)	
Net current assets			118,404		117,541
Total assets less current liabilities			1,304,067		1,266,117
Creditors: amounts falling due after more than one year	9		(212,377)		(272,014)
Provisions for liabilities and charges	10		(14,816)		(18,613)
Accruals and deferred income	11		(1,000)		(4,000)
			1,075,874		971,490
Capital and reserves					
Called up share capital	13		500,000		500,000
Share premium account	14		202,125		202,125
Profit and loss account	14		373,749		269,365
Shareholders' funds - equity interests	15		1,075,874		971,490

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 8/8/03

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Ian E Purves
Director

ADAM PURVES GALASHIELS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		120,229		83,578
Returns on investments and servicing of finance				
Interest received	415		3,008	
Interest paid	(30,025)		(28,129)	
Net cash outflow for returns on investments and servicing of finance		(29,610)		(25,121)
Taxation		(29,939)		(20,186)
Capital expenditure				
Payments to acquire tangible assets	(102,082)		(93,200)	
Receipts from sales of tangible assets	6,764		(20)	
Net cash outflow for capital expenditure		(95,318)		(93,220)
Net cash outflow before management of liquid resources and financing		(34,638)		(54,949)
Financing				
Other new long term loans	17,400		-	
Other new short term loans	37,562		-	
Repurchase of debenture loan	(290)		(2,200)	
Repayment of long term bank loan	(24,930)		(21,886)	
Repayment of other long term loans	(40,000)		(40,000)	
Capital element of hire purchase contracts	(4,902)		(4,560)	
Net cash outflow from financing		(15,160)		(68,646)
Decrease in cash in the year		(49,798)		(123,595)

ADAM PURVES GALASHIELS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2003

1 Reconciliation of operating profit to net cash inflow from operating activities

	2003	2002
	£	£
Operating profit	156,726	164,983
Depreciation of tangible assets	58,009	39,195
Loss on disposal of tangible assets	222	12,165
Increase in stocks	(87,405)	(61,054)
Increase in debtors	(64,039)	(120,291)
Increase in creditors within one year	59,716	51,580
Movement on grant provision	(3,000)	(3,000)
Net cash inflow from operating activities	120,229	83,578

2 Analysis of net debt

	1 April 2002	Cash flow	Other non-cash changes	31 March 2003
	£	£	£	£
Net cash:				
Cash at bank and in hand	19,437	18,419	-	37,856
Bank overdrafts	(15,371)	(68,217)	-	(83,588)
	4,066	(49,798)	-	(45,732)
Debt:				
Finance leases	(8,888)	4,902	-	(3,986)
Debts falling due within one year	(60,661)	(44,901)	-	(105,562)
Debts falling due after one year	(267,536)	55,159	-	(212,377)
	(337,085)	15,160	-	(321,925)
Net debt	(333,019)	(34,638)	-	(367,657)

3 Reconciliation of net cash flow to movement in net debt

	2003	2002
	£	£
Decrease in cash in the year	(49,798)	(123,595)
Cash outflow from decrease in debt and lease financing	15,160	68,646
Movement in net debt in the year	(34,638)	(54,949)
Opening net debt	(333,019)	(278,070)
Closing net debt	(367,657)	(333,019)

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Land and buildings Freehold	No depreciation
Land and buildings Leasehold	No depreciation
Plant and machinery	10% - 25% straight line
Motor vehicles	25% straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

1.8 Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

2	**Operating profit**	**2003**	**2002**
		£	**£**
	Operating profit is stated after charging:		
	Depreciation of tangible assets	58,009	39,195
	Loss on disposal of tangible assets	222	12,165
	Auditors' remuneration	2,500	2,273
	and after crediting:		
	Deferred grants	3,000	3,000

3	**Interest payable**	**2003**	**2002**
		£	**£**
	On bank overdraft	1,767	1,588
	On other loans repayable within 5 years	6,120	9,302
	On bank loans repayable after 5 years	12,197	16,400
	Hire purchase interest	396	839
	Other interest	9,545	-
		30,025	28,129

4	**Taxation**	**2003**	**2002**
		£	**£**
	Domestic current year tax		
	U.K. corporation tax	26,529	29,939
	Current tax charge	26,529	29,939
	Deferred tax		
	Deferred tax charge/credit current year	(3,797)	(392)
	Deferred tax adjust re previous year	-	19,005
		(3,797)	18,613
		22,732	48,552

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

5 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2002	951,591	12,925	281,006	4,774	1,250,296
Additions	49,743	-	52,339	-	102,082
Disposals	(506)	-	(6,668)	(2,100)	(9,274)
At 31 March 2003	1,000,828	12,925	326,677	2,674	1,343,104
Depreciation					
At 1 April 2002	6,956	-	92,571	2,193	101,720
On disposals	-	-	(1,921)	(367)	(2,288)
Charge for the year	-	-	57,274	735	58,009
At 31 March 2003	6,956	-	147,924	2,561	157,441
Net book value					
At 31 March 2003	993,872	12,925	178,753	113	1,185,663
At 31 March 2002	944,635	12,925	188,435	2,581	1,148,576

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery
	£
Net book values	
At 31 March 2003	10,127
At 31 March 2002	15,583
Depreciation charge for the year	
31 March 2003	5,456
31 March 2002	4,900

6 Stocks

	2003	2002
	£	£
Finished goods and goods for resale	433,367	345,962

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

7 Debtors	2003 £	2002 £
Trade debtors	247,305	191,599
Other debtors	72,330	67,219
Prepayments and accrued income	5,348	2,126
	324,983	260,944

8 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	111,588	36,032
Net obligations under hire purchase contracts	3,986	4,410
Trade creditors	331,709	310,106
Corporation tax	26,529	29,939
Other taxes and social security costs	54,334	33,891
Directors' current accounts	7,500	621
Loan - Shell U.K. Limited	40,000	40,000
Stocking loan - Shogun Finance Limited	37,562	-
Accruals and deferred income	64,594	53,803
	677,802	508,802

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

The bank loan and overdraft are secured by a standard security, bond and floating charge over the assets of the company.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

9 **Creditors: amounts falling due after more than one year**	2003 £	2002 £
Other loan - Meigle Motors Limited	4,510	4,800
Bank loans	175,857	208,126
Loan - Shell U.K. Limited	10,000	50,000
Net obligations under hire purchase contracts	-	4,478
Director's loans	17,400	-
Other loan	4,610	4,610
	212,377	272,014
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loan	53,857	77,196
Not wholly repayable within five years other than by instalments:	22,010	4,610
Wholly repayable within five years	220,062	241,781
	295,929	323,587
Included in current liabilities	(105,562)	(60,661)
	190,367	262,926
Instalments not due within five years	53,857	77,196
Loan maturity analysis		
In more than one year but not more than two years	43,510	104,730
In more than two years but not more than five years	93,000	81,000
In more than five years	53,857	77,196

The bank loan and overdraft are secured by a standard security, bond and floating charge over the assets of the company.

Net obligations under hire purchase contracts		
Repayable within one year	3,986	4,410
Repayable between one and five years	-	4,478
	3,986	8,888
Included in liabilities falling due within one year	(3,986)	(4,410)
	-	4,478

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2002	18,613
Profit and loss account	(3,797)
Balance at 31 March 2003	14,816

Deferred taxation provided in the financial statements is as follows:

	2003 £	2002 £
Accelerated capital allowances	14,816	18,613

11 Accruals and deferred income

	Shell (U.K.) grant £
Balance at 1 April 2002	4,000
Released in the year	(3,000)
Balance at 31 March 2003	1,000

A grant of £15,000 was obtained towards the cost of an Edacom machine from Shell UK.

The grant is being released to the profit and loss account over 5 years, which is the length of the agreement with Shell UK.

12 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	12,605	16,606

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

13 Share capital

	2003	2002
	£	£
Authorised		
500,000 Ordinary shares of £ 1 each	500,000	500,000
Allotted, called up and fully paid		
500,000 Ordinary shares of £ 1 each	500,000	500,000

14 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 April 2002	202,125	269,365
Retained profit for the year	-	104,384
Balance at 31 March 2003	202,125	373,749

15 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	104,384	91,310
Opening shareholders' funds	971,490	880,180
Closing shareholders' funds	1,075,874	971,490

16 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	78,658	66,131
Company pension contributions to money purchase schemes	12,605	16,606
	91,263	82,737

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
	52	40

Employment costs

	£	£
Wages and salaries	466,024	371,846
Social security costs	34,388	28,560
Other pension costs	12,605	16,606
	513,017	417,012

18 Post balance sheet events

The company have entered into short term operating agreements with Shell UK to run two outlets within the Edinburgh area.

The agreements commenced on 20 May 2003.