

ISLEHAM TYRES LIMITED  
REPORT OF THE DIRECTOR

The director presents his report with the accounts of the company for the year ended 31st October, 1997.

Principal activity

These continue to be tyre dealers.

Results and dividends

The results for the year and state of the company's affairs are as set out in the attached accounts.

The director does not recommend the payment of a dividend.

Director

The director of the company who has been a director for the whole of the year and his beneficial interest in the company's issued ordinary share capital were as follows:

	<u>31st October, 1997</u>	<u>31st October, 1996</u>
Mr R.J. Muldoon	55	55
Mrs E.A. Muldoon	15	15

Small Company

In preparing the above report the director has taken advantage of special exemptions applicable to small companies.

By Order of the Board,



Mrs E.A. Muldoon,  
 Secretary.



ACCOUNTANTS' REPORT

Accountants' report to the shareholders of

ISLEHAM TYRES LIMITED

We have examined without carrying out an audit, the accounts for the year ended 31st October, 1997 set out on pages 3 to 6.

Respective responsibilities of the director and reporting accountants

As described on page 4 the company's director is responsible for the preparation of the accounts and he believes that the company is exempt from an audit. It is our responsibility to examine the accounts and based on our examination to report our opinion, as set out below, to the shareholders.

Basis of our opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatements.

Opinion

In our opinion;

- (a) The accounts are in agreement with the records kept by the company under section 221 of the Companies Act 1985.
- (b) Having regard to, and on the basis of, the information contained in those accounting records:
  - 1. The accounts have been drawn up in the manner consistent with the accounting requirements specified in section 249C(6) of the Act and
  - 2. The company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

*Francis Alles*  
18/5/98

Francis Alles & Co,  
Chartered Accountants.

ISLEHAM TYRES LIMITED  
PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31st OCTOBER, 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TURNOVER	1(b)	236120	236150
Cost of sales		<u>93675</u>	<u>86665</u>
GROSS PROFIT		142445	149485
Establishment expenses	12668	12953	
Administration expenses	131448	143807	
Financial	7390	1374	
Depreciation	<u>1200</u>	<u>2449</u>	
		<u>152706</u>	<u>160583</u>
OPERATING LOSS	2	(10261)	(11098)
(Loss)/profit on disposal of motor vehicles		(144)	404
Bank deposit interest		<u>34</u>	<u>1025</u>
Loss on ordinary activities before taxation		(10371)	(9669)
Taxation	4	<u>-</u>	<u>-</u>
Loss for the financial year		(10371)	(9669)
Retained profit at 1st November, 1996		<u>19334</u>	<u>29003</u>
Retained profit at 31st October, 1997		<u>£8963</u>	<u>£19334</u>
		=====	=====

Total recognised gains and losses

The company has no recognised gains or losses other  
than the profit or loss for the above two financial years.


The notes on pages 5 and 6 form part of these accounts.

ISLEHAM TYRES LIMITEDBALANCE SHEET AT 31st OCTOBER, 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible assets	3	4150	7994
CURRENT ASSETS			
Stock	1(d)	200057	169496
Debtors	6	42915	55400
Bank and cash balances		404	11985
		243376	236881
CREDITORS: amounts falling due within one year	5	238493	225471
NET CURRENT ASSETS		4883	11410
NET ASSETS		£9033 =====	£19404 =====
CAPITAL AND RESERVES			
Called up share capital	7	70	70
Profit and loss account		8963	19334
		£9033 =====	£19404 =====

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company at 31st October, 1997 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts were approved by the board on 12th May.1998.



R.J. Muldoon  
Director.

The notes on pages 5 and 6 form part of these accounts.

ISLEHAM TYRES LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER, 19971. Accounting policies

## a) Basis of accounting

The accounts have been prepared under the historical cost convention.

## b) Turnover

Turnover represents net invoiced sales, excluding VAT.

## c) Tangible fixed assets

Depreciation has been provided at the following rates in order to write off each asset over its estimated useful life.

Motor vehicles	25% on written down value.
Office equipment	15% on written down value.

## d) Stock

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

2. Operating loss is stated after charging:

	<u>1997</u>	<u>1996</u>
Depreciation of tangible fixed assets	1200	2449
Director's emoluments		
Salary	9000	12000
Bank interest	219	13
Bad debts	6304	-
	=====	=====

3. Tangible fixed assets

	<u>Motor Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Cost			
At 1st November, 1996	48249	5692	53941
Disposal	(4700)	-	(4700)
At 31st October, 1997	<u>43549</u>	<u>5692</u>	<u>49241</u>
Depreciation			
At 1st November, 1996	41627	4320	45947
Disposal	(2056)	-	(2056)
Charge for year	994	206	1200
At 31st October, 1997	<u>40565</u>	<u>4526</u>	<u>45091</u>
Net book amounts:			
At 31st October, 1997	<u>£2984</u>	<u>1166</u>	<u>4150</u>
At 31st October, 1996	<u>£6622</u>	<u>1372</u>	<u>7994</u>

ISLEHAM TYRES LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER, 1997 (cont)

## 4 Taxation

The company is a close company within the meaning of section 282 of the Income and Corporation Taxes Act 1970. No corporation tax liability arises in view of the loss incurred during the year (1996 - Nil)

## 5 Creditors:

Amounts falling due within one year:

	<u>1997</u>	<u>1996</u>
Trade creditors	12891	10761
Sundry creditors & accruals	16493	12457
Amount owing to Associated company	195032	181721
Other taxes & social security costs	4106	9311
Bank overdraft	4971	11221
Sundry loan	5000	-
	<u>£238493</u>	<u>£225471</u>
	=====	=====

## 6. Debtors:

Amounts falling due within one year:

	<u>1997</u>	<u>1996</u>
Trade debtors	38783	50993
Sundry debtors & payments in advance	4132	4407
	<u>£42915</u>	<u>£55400</u>
	=====	=====

## 7. Called up share capital

	<u>1997</u>	<u>1996</u>
Authorised		
100 ordinary shares of £1 each	£100	£100
	===	===
Allotted, called up and fully paid		
70 ordinary shares of £1 each	£70	£70
	==	==

Under an option dated 14th July, 1976 Mrs E.A. Muldoon has an option to take up 30 ordinary shares at par.