

Registration number 886732

**MOTOR BODY SERVICES (SALFORD) LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31ST AUGUST 2002**



**PARKER GRADWELL & CO.**

**Chartered Accountants & Registered Auditors**

**17 Chapel Street, Hyde, Cheshire, SK14 1LF**

# MOTOR BODY SERVICES (SALFORD) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31ST AUGUST 2002

The directors present their report and the accounts for the year ended 31st August 2002.

### Principal activity and review of the business

The company has continued to trade as motor body repairers and garage proprietors.

### Results and dividends

The results for the year are set out on page 3. The directors recommend payment of a final dividend amounting to £11,000.

### Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/08/02	01/09/01 or date of appointment
B. Fitton	1,300	1,300
R.M. Fitton	700	700
K. Greenhalgh	-	-
E.A. Fitton      Appointed 16/10/01	-	-

### 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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 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.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Parker Gradwell & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 8th May 2003 and signed on its behalf by

.....AC Johnson.....

A. Johnson - Secretary

**INDEPENDENT AUDITORS' REPORT TO  
MOTOR BODY SERVICES (SALFORD) LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 3 to 13 together with the financial statements of Motor Body Services (Salford) Limited for the year ended 31st August 2002 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

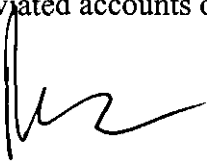
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the 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 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 full 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 in respect of the year ended 31st August 2002, and the abbreviated accounts on pages 3 to 13 are properly prepared in accordance with that provision.



**Parker Gradwell & Co.  
Chartered Accountants and Registered Auditors  
17 Chapel Street  
Hyde  
Cheshire**

**9th May 2003**

**MOTOR BODY SERVICES (SALFORD) LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST AUGUST 2002**

		<b>Continuing operations</b>	
		<b>2002</b>	<b>2001</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Gross profit</b>		587,745	792,357
Administrative expenses		(475,316)	(679,741)
<b>Operating profit</b>	<b>2</b>	<u>112,429</u>	<u>112,616</u>
Other interest receivable and similar income	<b>3</b>	<u>15,149</u>	<u>24,240</u>
<b>Profit on ordinary activities before taxation</b>		127,578	136,856
Tax on profit on ordinary activities	<b>6</b>	<u>(26,314)</u>	<u>(28,546)</u>
<b>Profit on ordinary activities after taxation</b>		101,264	108,310
Dividends	<b>7</b>	<u>(11,000)</u>	<u>(11,000)</u>
<b>Retained profit for the year</b>		90,264	97,310
Retained profit brought forward		<u>1,237,566</u>	<u>1,140,256</u>
<b>Retained profit carried forward</b>		<u><u>1,327,830</u></u>	<u><u>1,237,566</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 13 form an integral part of these financial statements.

# MOTOR BODY SERVICES (SALFORD) LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31ST AUGUST 2002

		2002		2001	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		895,714		828,935
<b>Current assets</b>					
Stocks	9	125,695		86,623	
Debtors	10	280,152		313,573	
Cash at bank and in hand		566,711		625,338	
		<u>972,558</u>		<u>1,025,534</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(499,942)</u>		<u>(577,403)</u>	
<b>Net current assets</b>			<u>472,616</u>		<u>448,131</u>
<b>Total assets less current liabilities</b>			1,368,330		1,277,066
<b>Provisions for liabilities and charges</b>	12		<u>(38,500)</u>		<u>(37,500)</u>
<b>Net assets</b>			<u><u>1,329,830</u></u>		<u><u>1,239,566</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		2,000		2,000
Profit and loss account			<u>1,327,830</u>		<u>1,237,566</u>
<b>Equity shareholders' funds</b>	15		<u><u>1,329,830</u></u>		<u><u>1,239,566</u></u>

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

The abbreviated accounts were approved by the Board on 8th May 2003 and signed on its behalf by



Director

The notes on pages 6 to 13 form an integral part of these financial statements.

**MOTOR BODY SERVICES (SALFORD) LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2002**

	<b>Notes</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		112,429	112,616
Depreciation		31,306	22,533
(Increase) in stocks		(39,072)	(14,358)
Decrease in debtors		33,421	(9,550)
(Decrease) in creditors		(79,762)	(4,279)
<b>Net cash inflow from operating activities</b>		<u>58,322</u>	<u>106,962</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		58,322	106,962
Returns on investments and servicing of finance	<b>19</b>	15,149	24,240
Taxation	<b>19</b>	(23,012)	(31,054)
Capital expenditure	<b>19</b>	(98,086)	(172,703)
		<u>(47,627)</u>	<u>(72,555)</u>
Equity dividends paid		(11,000)	(11,000)
<b>Decrease in cash in the year</b>		<u>(58,627)</u>	<u>(83,555)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 20)</b>			
<b>Decrease in cash in the year</b>		(58,627)	(83,555)
<b>Net funds at 1st September 2001</b>		625,338	708,893
<b>Net funds at 31st August 2002</b>		<u>566,711</u>	<u>625,338</u>

## **MOTOR BODY SERVICES (SALFORD) LIMITED**

### **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention.

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings	-	2.5% straight line per annum
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	10% reducing balance per annum
Fixtures, fittings and equipment	-	15% reducing balance per annum
Motor vehicles	-	25% reducing balance per annum
Computer equipment	-	20% straight line per annum

No depreciation is provided on freehold land.

##### **1.4. Leasing**

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

##### **1.5. Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value.

##### **1.6. Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account in the period in which they are incurred.

##### **1.7. Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

# MOTOR BODY SERVICES (SALFORD) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

<b>2. Operating profit</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	50,726	47,820
Operating lease rentals		
- Plant and machinery	6,588	6,061
Auditors' remuneration	3,000	3,000
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	19,420	25,287
	<u>          </u>	<u>          </u>
 <b>3. Interest receivable and similar income</b>	 <b>2002</b>	 <b>2001</b>
	<b>£</b>	<b>£</b>
Bank interest	15,149	24,240
	<u>          </u>	<u>          </u>
 <b>4. Employees</b>		
<b>Number of employees</b>		
The average monthly numbers of employees (including the directors) during the year were:	<b>2002</b>	<b>2001</b>
Production	33	32
Administration	7	7
	<u>      </u>	<u>      </u>
	40	39
	<u>          </u>	<u>          </u>
 <b>Employment costs</b>	 <b>2002</b>	 <b>2001</b>
	<b>£</b>	<b>£</b>
Wages and salaries	820,210	866,698
Social security costs	75,864	84,896
Other pension costs	65,585	57,387
	<u>          </u>	<u>          </u>
	961,659	1,008,981
	<u>          </u>	<u>          </u>



# **MOTOR BODY SERVICES (SALFORD) LIMITED**

## **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002**

<b>4.1. Directors' emoluments</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	223,392	292,702
Pension contributions	59,420	55,280
	<u>282,812</u>	<u>347,982</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	127,232	94,697
Pension contributions	27,200	27,200
	<u>154,432</u>	<u>121,897</u>

### **5. Pension costs**

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £65,585 (2001 - £57,387).

# MOTOR BODY SERVICES (SALFORD) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

### 6. Tax on profit on ordinary activities

Analysis of charge in period	2002 £	2001 £
<b>Current tax</b>		
UK corporation tax at 19.58% (2001 - 20.00%)	25,428	25,112
Prior period adjustments	(114)	(66)
Total current tax charge	<u>25,314</u>	<u>25,046</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	1,000	3,500
Total deferred tax	<u>1,000</u>	<u>3,500</u>
Tax on profit on ordinary activities	<u>26,314</u>	<u>28,546</u>

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20 per cent). The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before taxation	<u>127,578</u>	<u>136,856</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31st August 2001 : 20%)	24,980	27,371
Expenses not deductible for tax purposes	457	43
Capital allowances for period in excess of depreciation	(988)	(3,302)
Adjustments to tax charge in respect of previous periods	(114)	(66)
Pension accrual	979	1,000
Current tax charge for period	<u>25,314</u>	<u>25,046</u>

### 7. Dividends

	2002 £	2001 £
<b>Dividends on equity shares:</b>		
Ordinary shares - final proposed	<u>11,000</u>	<u>11,000</u>

# MOTOR BODY SERVICES (SALFORD) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

8.	Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant & machinery £	Motor vehicles £	Motor vehicles breakdown £	Total £
	<b>Cost</b>						
	At 1st September 2001	685,907	45,447	196,990	93,801	86,753	1,108,898
	Additions	100,097	-	6,580	18,819	-	125,496
	Disposals	-	-	-	(27,095)	-	(27,095)
	At 31st August 2002	786,004	45,447	203,570	85,525	86,753	1,207,299
	<b>Depreciation</b>						
	At 1st September 2001	75,432	2,206	92,168	51,146	59,011	279,963
	On disposals	-	-	-	(19,105)	-	(19,105)
	Charge for the year	10,919	1,118	18,383	13,371	6,936	50,727
	At 31st August 2002	86,351	3,324	110,551	45,412	65,947	311,585
	<b>Net book values</b>						
	At 31st August 2002	699,653	42,123	93,019	40,113	20,806	895,714
	At 31st August 2001	610,475	43,241	104,822	42,655	27,742	828,935

Freehold land and buildings includes land with a value of £252,764 on which no depreciation charge is made.

9.	Stocks	2002 £	2001 £
	Work in progress	16,827	22,111
	Finished goods and goods for resale	108,868	64,512
		125,695	86,623
10.	Debtors	2002 £	2001 £
	Trade debtors	250,546	286,113
	Other debtors	74	409
	Prepayments and accrued income	29,532	27,051
		280,152	313,573

**MOTOR BODY SERVICES (SALFORD) LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2002**

<b>11. Creditors: amounts falling due within one year</b>	<b>2002 £</b>	<b>2001 £</b>
Trade creditors	88,877	83,556
Corporation tax	25,428	23,127
Other taxes and social security costs	68,686	68,103
Directors' accounts	102,458	91,458
Other creditors	194,791	293,543
Accruals and deferred income	8,702	6,616
Proposed dividend	11,000	11,000
	<u>499,942</u>	<u>577,403</u>

**12 Provisions for liabilities and charges**

	<b>Deferred taxation (Note 13) £</b>	<b>Total £</b>
At 1st September 2001	37,500	37,500
Movements in the year	1,000	1,000
At 31st August 2002	<u>38,500</u>	<u>38,500</u>

**13. Provision for deferred taxation**

	<b>2002 £</b>	<b>2001 £</b>
Accelerated capital allowances	<u>38,500</u>	<u>37,500</u>
Provision at 1st September 2001	37,500	
Deferred tax charge in profit and loss account	1,000	
Provision at 31st August 2002	<u>38,500</u>	

# MOTOR BODY SERVICES (SALFORD) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

<b>14. Share capital</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
2,000 Ordinary shares of £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
<b>Allotted, called up and fully paid equity</b>		
2,000 Ordinary shares of £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
<b>15. Reconciliation of movements in shareholders' funds</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Profit for the year	101,264	108,310
Dividends	(11,000)	(11,000)
	<u>90,264</u>	<u>97,310</u>
Opening shareholders' funds	1,239,566	1,142,256
Closing shareholders' funds	<u>1,329,830</u>	<u>1,239,566</u>

### 16. Financial commitments

At 31st August 2002 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2002</b>	<b>Other</b>	<b>2001</b>
	<b>£</b>		<b>£</b>
<b>Expiry date:</b>			
Between one and five years	-		22,047
	<u>-</u>		<u>22,047</u>

The leasing commitment is in respect of motor vehicles.

<b>17. Capital commitments</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	-	59,750
	<u>-</u>	<u>59,750</u>

# MOTOR BODY SERVICES (SALFORD) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

### 18. Transactions with directors

The company leases premises owned jointly by Mr. B. Fitton and Mrs. R.M. Fitton, who are directors of the company. The rentals paid during the year amounted to £10,000.

### 19. Gross cash flows

	2002 £	2001 £
<b>Returns on investments and servicing of finance</b>		
Interest received	15,149	24,240
<b>Taxation</b>		
Corporation tax paid	(23,012)	(31,054)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(125,496)	(217,258)
Receipts from sales of tangible assets	27,410	44,555
	<u>(98,086)</u>	<u>(172,703)</u>

### 20. Analysis of changes in net debt

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	625,338	(58,627)	566,711
<b>Net debt</b>	<u>625,338</u>	<u>(58,627)</u>	<u>566,711</u>