

ATS North Western Limited

Accounts for the year ended 31 December 2003 together with directors' and auditors' reports

Registered Number :893662



ATS North Western Limited

Annual report and accounts for the year ended 31 December 2003

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ATS North Western Limited

Directors' report for the year ended 31 December 2003

Financial Statements

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

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and review of the business

Since 1 June 2002 the company has held properties relating to the trading activity of the group which continues to be the distribution of tyres, exhausts and associated products.

Fixed Assets

In the opinion of the directors the market value of freehold land and buildings is in excess of the value at which they are stated in the balance sheet. However, a full valuation of the property portfolio held has not been performed and therefore the directors are unable to identify the extent of the excess.

Results and dividends

The profit for the year ended 31 December 2003 after taxation amounted to £216,000 (2002: profit of £1,548,000). A dividend of £Nil (2002: £2,200,000) has been paid during the year.

Directors

The directors of the company who held office during the year ended 31 December 2003 and subsequently were:

L R Atkins
R Y Combes (resigned 24 November 2003)
B N Gray (appointed 11 September 2003)
R C Piggott (resigned 31 January 2003)

No director held any beneficial interest in the share capital of the company or any group companies during the year.

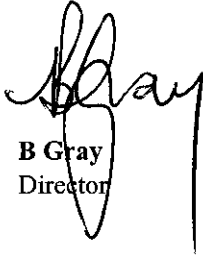
ATS North Western Limited

Directors' report for the year ended 31 December 2003 (continued)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

This report was approved by the Board on 30th April 2004.



B Gray
Director

ATS North Western Limited

Independent auditors' report to the members of ATS North Western Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come, save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
30th April 2004

ATS North Western Limited

Profit and loss account for the year ended 31 December 2003

	Notes	2003 £,000	2002 £,000
Turnover		-	21,975
Cost of sales		-	(13,689)
Gross profit		-	8,286
Group rental income		331	196
Selling, marketing and distribution costs		(371)	(5,544)
Administrative expenses		(9)	(772)
Operating (loss)/profit		(49)	2,166
Fundamental restructuring costs		-	158
Profit on disposal of fixed assets		180	117
Interest receivable and similar income		4	104
Interest payable and similar charges		-	(53)
Profit on ordinary activities before taxation	2	135	2,492
Tax on profit on ordinary activities	3	81	(944)
Profit on ordinary activities after taxation		216	1,548
Dividends	4	-	(2,200)
Retained profit/(loss) for the year transferred to/(from) reserves	10	216	(652)

The results for the year are derived from continuing operations in respect of holding properties for use by other group undertakings.

There were no recognised gains and losses other than the profit for the year.

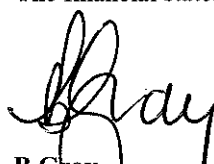
There is no difference between the profit on ordinary activities before taxation and the retained profit/(loss) transferred to/(from) reserves for the year and their historical cost equivalents.

ATS North Western Limited

Balance sheet as at 31 December 2003

	Notes	2003 £,000	2002 £,000
Fixed assets			
Tangible assets	5	<u>7,945</u>	<u>8,437</u>
Current assets			
Debtors	6	1,574	1,971
Creditors: amounts falling due within one year	7	<u>(47)</u>	<u>(1,268)</u>
Net current assets		<u>1,527</u>	<u>703</u>
Total assets less current liabilities		9,472	9,140
Provision for liabilities and charges	8	<u>(285)</u>	<u>(169)</u>
Net assets		<u>9,187</u>	<u>8,971</u>
Capital and reserves			
Called up share capital	9	5,400	5,400
Profit and loss account	10	<u>3,787</u>	<u>3,571</u>
Equity shareholders' funds	11	<u>9,187</u>	<u>8,971</u>

The financial statements on pages 4 to 14 were approved by the Board on 30th April 2004.


B Gray
Director

ATS North Western Limited

Notes to the financial statements for the year ended 31 December 2003

1 Accounting policies

A summary of the more important accounting policies is set out below. They have all been consistently applied throughout the current and preceding year.

a) *Accounting convention*

The financial statements are prepared under the historical cost convention, and are in accordance with the Companies Act 1985 and applicable accounting standards.

b) *Turnover*

Turnover represents the amounts charged to customers for goods and services, stated net of Value Added Tax.

c) *Selling, marketing and distribution costs*

This category of costs comprises all overhead expenditure, which is directly attributable to the group's distribution activity.

d) *Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and of any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold land	Nil
Long leasehold and freehold buildings	At varying amounts based on the assessment of the useful economic life
Short leasehold properties	Written off over the remaining periods of the leases
Equipment, fixtures & fittings	20% on cost

e) *Deferred taxation*

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements are dealt with in different years for tax purposes.

Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date there is a commitment to dispose of the replacement asset.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

1 Accounting policies (continued)

f) Pension costs

Pension costs charged to the profit and loss account are based on actuarial advice and are calculated in accordance with contribution rates determined for the group schemes.

It is not possible to identify the company's share of the underlying assets and liabilities in the group defined benefit pension scheme. In accordance with Financial Reporting Standard 17's transitional arrangement, although the company is a member of the group defined benefit scheme, contributions made by the company have been disclosed as if this is a defined contribution scheme.

2 Profit on ordinary activities before taxation is stated:

	2003	2002
	£,000	£,000
After charging:		
Depreciation	332	687
Operating lease rentals		
- property	-	106
- other assets	-	68
Auditors' remuneration		
- audit services	-	8
Group interest payable	-	53
Interest payable on other borrowings	-	1
Amortisation	-	2
	<hr/>	<hr/>
And after crediting :		
Other interest receivable	4	104
Profit on sale of land and buildings	180	108
Profit on sale of other fixed assets	-	9
	<hr/>	<hr/>

The audit fee for the company is borne by its fellow group undertaking ATS Euromaster Limited.

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

3 Taxation

	2003	2002
	£,000	£,000
The charge for taxation in the profit and loss account is made up as follows:		
UK Corporate tax	-	-
Group relief tax charge	44	796
(Over)/under provision for prior periods	<u>(202)</u>	<u>239</u>
Total current tax	(158)	1,035
Deferred Tax Movement	<u>77</u>	<u>(91)</u>
Tax on profit on ordinary activities	<u>(81)</u>	<u>944</u>

The tax assessed for the year is different to the standard rate of Corporation Tax in the UK (30%)
The differences are explained below:

	2003	2002
	£,000	£,000
Profit on ordinary activities before tax	<u>135</u>	<u>2,492</u>
Multiplied by standard rate of corporation tax	40	748
Effect of permanent timing differences:		
- Non deductible expenses	17	20
Effect of other timing differences:		
-Deferred capital gains	-	(32)
-(Accelerated capital allowances)/accounting depreciation		
in excess of tax allowances	(13)	60
-(Over)/under provision in respect of prior years	<u>(202)</u>	<u>239</u>
Total current tax	<u>(158)</u>	<u>1,035</u>

4 Dividends

	2003	2002
	£,000	£,000
Dividend paid	<u>-</u>	<u>2,200</u>

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

5 Tangible fixed assets

		Land and buildings	Other fixed assets	Total
		£,000	£,000	£,000
Summary				
Net book value				
31 December 2003		7,925	20	7,945
31 December 2002		8,397	40	8,437
	Freehold land and buildings	Long leasehold buildings	Short leasehold buildings	Total
Land and buildings	£,000	£,000	£,000	£,000
Cost				
1 January 2003	7,824	4,120	352	12,296
Third party additions	19	21	-	40
Third party disposals	(85)	(66)	-	(151)
Group transfers in	54	1	-	55
Group transfers out	-	-	(352)	(352)
31 December 2003	7,812	4,076	-	11,888
Depreciation				
1 January 2003	2,404	1,318	177	3,899
Charge for the year	194	118	-	312
Third party disposals	(48)	(23)	-	(71)
Group transfers out	-	-	(177)	(177)
31 December 2003	2,550	1,413	-	3,963
Net book value				
31 December 2003	5,262	2,663	-	7,925
31 December 2002	5,420	2,802	175	8,397

Freehold land amounting to £656,000 (2002: £673,000) on which no depreciation is charged is included in the figures above.

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

5 Tangible fixed assets (continued)

Other fixed assets	Equipment, fixtures and fittings £,000	Total £,000
Cost		
1 January 2003 and 31 December 2003	<u>371</u>	<u>371</u>
Depreciation		
1 January 2003	331	331
Charge for the year	<u>20</u>	<u>20</u>
31 December 2003	<u>351</u>	<u>351</u>
Net book value		
31 December 2003	<u>20</u>	<u>20</u>
31 December 2002	<u>40</u>	<u>40</u>

6 Debtors

	2003 £,000	2002 £,000
Amounts owed by group undertakings	1,441	1,845
Other debtors	-	22
Corporate tax debtor	25	-
Prepayments and accrued income	<u>108</u>	<u>104</u>
	<u>1,574</u>	<u>1,971</u>

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

7 Creditors: amounts falling due within one year

	2003	2002
	£,000	£,000
Amounts owed to group undertakings	-	1,250
Corporation tax	-	18
Other taxes and social security	<u>47</u>	<u>-</u>
	<u>47</u>	<u>1,268</u>

8 Provision for liabilities and charges

	Onerous contracts	Deferred taxation	Total
	£,000	£,000	£,000
At 1 January 2003	-	169	169
Provided in year	<u>39</u>	<u>77</u>	<u>116</u>
31 December 2003	<u>39</u>	<u>246</u>	<u>285</u>

Provision has been made for the cost of an onerous contract relating to a unutilised freehold property up to the anticipated date of disposal.

	2003	2002
	£,000	£,000
Capital allowances in advance of depreciation	<u>246</u>	<u>169</u>
	<u>246</u>	<u>169</u>

9 Called up share capital

	2003	2002
	£,000	£,000
Authorised, allotted and fully paid		
Ordinary shares of £1 each	<u>5,400</u>	<u>5,400</u>

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

10 Reserves

	Profit and loss account £,000
1 January 2003	3,571
Profit for the year	<u>216</u>
31 December 2003	<u>3,787</u>

The total amount of goodwill which has been written off against the reserves of the company at 31 December 2003 is £103,000 (2002: £103,000).

11 Reconciliation of movement in equity shareholders' funds

	2003 £,000	2002 £,000
Profit on ordinary activities after taxation	216	1,548
Dividend paid	<u>-</u>	<u>(2,200)</u>
Net Movement in shareholders' funds	216	(652)
Opening shareholders' funds	<u>8,971</u>	<u>9,623</u>
Closing shareholders' funds	<u>9,187</u>	<u>8,971</u>

12 Contingent liabilities

Deferred taxation

The unprovided amounts of deferred taxation are as follows:

	2003 £,000	2002 £,000
Capital gains rolled over	<u>142</u>	<u>246</u>

No provision has been made in respect of the above amounts.

Guarantees

The company is party to an unlimited cross guarantee agreement in respect of the bank facilities of its parent company and thirteen (2002: thirteen) fellow subsidiary companies. At 31 December 2003 the net overdrafts of all parties to the agreement amounted to £30,195,000 (2002: £31,886,000).

ATS North Western Limited
Notes to the financial statements
for the year ended 31 December 2003 (continued)

13 Information regarding directors

	2003	2002
	£,000	£,000
Aggregate directors' emoluments	-	-

Two directors (2002:One) are members of the group defined benefit pension scheme.

14 Employees

The average monthly number of persons employed by the company (including directors) during year was:

	2003	2002
	Number	Number
Centre staff	-	246
Office staff	-	22
	-	268
Actual number of persons employed at 31 December	-	-
<i>Their total remuneration was:</i>	£,000	£,000
Wages and salaries	-	3,546
Social security costs	-	152
Other pension costs	-	154
	-	3,852

ATS North Western Limited

Notes to the financial statements

for the year ended 31 December 2003 (continued)

15 Pensions

The company is a member of a group pension scheme operated by Michelin Tyre Public Limited Company. The scheme provides benefits based on final pensionable earnings and is set up under trust so that assets are held separately from those of any related company. Contributions are based upon pension costs across the group as a whole.

On 1 June 2003 the company transferred the principal trading activity to ATS Euromaster Limited. At this date all obligations and commitments under the scheme rules were transferred to ATS Euromaster Limited.

The pension cost to the company is charged in accordance with the most recent actuarial valuation as at 31 March 2002. Details of the valuation are given in the financial statements of ATS Euromaster Limited for the year ended 31 December 2003.

It is not possible to identify the company's share of the underlying assets and liabilities in the group defined benefit pension scheme. In accordance with Financial Reporting Standard 17's transitional arrangement, although the company is a member of the group defined benefit scheme, contributions made by the company have been disclosed as if this is a defined contribution scheme.

The pension cost charged to the profit and loss account for the year was £Nil (2002: £154,000).

16 Cashflow statement

The company has not produced a cash flow statement as it has taken advantage of the exemptions contained in Financial Reporting Standard No. 1 (revised).

17 Parent companies

The company is a subsidiary undertaking of Associated Tyre Specialists Limited, registered in England. The ultimate parent company is Compagnie Generale des Etablissements Michelin, incorporated in France.

The smallest group in which the results of the company are consolidated is that of Compagnie Financiere Michelin.

The largest group in which they are consolidated is that headed by Compagnie Generale des Etablissements Michelin.

The financial statements of Compagnie Financiere Michelin and those of Compagnie Generale des Etablissements Michelin may be obtained from 12 Cours Sablon, Clermont-Ferrand, Puy de Dome, France.

As a subsidiary undertaking of Compagnie Generale des Etablissements Michelin, the company has taken advantage of the exemption in Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with other members of the Michelin Group.