

Company Registration No. 1350007 (England and Wales)

BROTHERWOOD AUTOMOBILITY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2005



BROTHERWOOD AUTOMOBILITY LIMITED

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BROTHERWOOD AUTOMOBILITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2005

The directors present their report and financial statements for the year ended 31 January 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of disabled vehicle constructors, and motor vehicle engineers.

Results and dividends

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

Directors

The following directors have held office since 1 February 2004:

R.J. Brotherwood

J. Brotherwood

C W G Arnold (Appointed 12 October 2004)

Directors' interests

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

	Ordinary of £ 1 each	
	31 January 2005	1 February 2004
J. Brotherwood	52	52
R.J. Brotherwood	750	750
C W G Arnold	-	-

	2005	2004
Charitable donations	£	£

During the year the company made the following payments:

Charitable donations	4,184	480
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Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morley and Scott be reappointed as auditors of the company will be put to the Annual General Meeting.

BROTHERWOOD AUTOMOBILITY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

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



.....
J. Brotherwood

Director

22/1/05

BROTHERWOOD AUTOMOBILITY LIMITED

INDEPENDENT AUDITORS' REPORT TO BROTHERWOOD AUTOMOBILITY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of the company for the year ended 31 January 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 audit 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 17 are properly prepared in accordance with that provision.

Morley and Scott

Morley and Scott

Chartered Accountants
Registered Auditor

21st July 2005

St Andrew's House, 4400 Parkway
Whiteley
Hampshire
PO15 7FJ

BROTHERWOOD AUTOMOBILITY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2005

	Notes	2005 £	2004 £
Gross profit		1,833,490	1,772,955
Administrative expenses		(1,366,418)	(1,222,066)
Operating profit	2	467,072	550,889
Other interest receivable and similar income		9,710	8,241
Interest payable and similar charges	3	(39,158)	(4,429)
Profit on ordinary activities before taxation		437,624	554,701
Tax on profit on ordinary activities	4	(89,854)	(103,271)
Profit on ordinary activities after taxation		347,770	451,430
Dividends	5	(24,000)	(44,000)
Retained profit for the year	15	323,770	407,430

BROTHERWOOD AUTOMOBILITY LIMITED

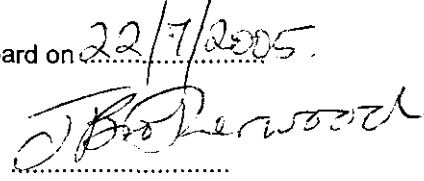
ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	6		7,487		5,164
Tangible assets	7		2,010,648		1,872,798
			<u>2,018,135</u>		<u>1,877,962</u>
Current assets					
Stocks	8	1,009,778		840,634	
Debtors	9	288,192		223,430	
Cash at bank and in hand		322,434		365,389	
		<u>1,620,404</u>		<u>1,429,453</u>	
Creditors: amounts falling due within one year	10	(1,051,106)		(1,009,936)	
Net current assets			<u>569,298</u>		<u>419,517</u>
Total assets less current liabilities			<u>2,587,433</u>		<u>2,297,479</u>
Creditors: amounts falling due after more than one year	11		(233,777)		(284,163)
Provisions for liabilities and charges	12		(94,258)		(77,688)
			<u>2,259,398</u>		<u>1,935,628</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss account	15		2,258,398		1,934,628
Shareholders' funds - equity interests	16		<u>2,259,398</u>		<u>1,935,628</u>

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 22/7/2005.


R.J. Brotherwood
Director


J. Brotherwood
Director

BROTHERWOOD AUTOMOBILITY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		411,528		330,076
Returns on investments and servicing of finance				
Interest received	9,710		8,241	
Interest paid	(39,158)		(4,429)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(29,448)		3,812
Taxation		(77,701)		(31,066)
Capital expenditure				
Payments to acquire tangible assets	(887,256)		(1,042,259)	
Receipts from sales of tangible assets	605,087		779,161	
Net cash outflow for capital expenditure		(282,169)		(263,098)
Equity dividends paid		(24,000)		(44,000)
Net cash outflow before management of liquid resources and financing		(1,790)		(4,276)
Management of liquid resources				
Bank deposits	(1,181)		(29,592)	
		(1,181)		(29,592)
Financing				
New long term bank loan	-		257,143	
Other new short term loans	-		42,857	
Repayment of long term bank loan	(48,978)		(28,252)	
Repayment of other short term loans	(14,583)		-	
Capital element of hire purchase contracts	(11,534)		14,112	
Net cash (outflow)/inflow from financing		(75,095)		285,860
(Decrease)/increase in cash in the year		(78,066)		251,992

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005	2004
		£	£
	Operating profit	467,072	550,889
	Depreciation of tangible assets	331,966	280,842
	Amortisation of intangible assets	2,816	2,302
	Profit on disposal of tangible assets	(192,785)	(234,556)
	Increase in stocks	(169,144)	(51,422)
	(Increase)/decrease in debtors	(64,762)	12,606
	Increase/(decrease) in creditors within one year	36,365	(230,585)
	Net cash inflow from operating activities	411,528	330,076

2	Analysis of net debt	1 February 2004	Cash flow	Other non-cash changes	31 January 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	330,598	(44,136)	-	286,462
	Bank overdrafts	(219,180)	(33,930)	-	(253,110)
		<u>111,418</u>	<u>(78,066)</u>	<u>-</u>	<u>33,352</u>
	Liquid resources:				
	Bank deposits	<u>34,791</u>	<u>1,181</u>	<u>-</u>	<u>35,972</u>
	Debt:				
	Finance leases	(14,114)	11,533	-	(2,581)
	Debts falling due within one year	(61,607)	14,583	-	(47,024)
	Debts falling due after one year	(281,582)	48,978	-	(232,604)
		<u>(357,303)</u>	<u>75,094</u>	<u>-</u>	<u>(282,209)</u>
	Net debt	(211,094)	(1,791)	-	(212,885)

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

3 Reconciliation of net cash flow to movement in net debt	2005	2004
	£	£
(Decrease)/increase in cash in the year	(78,066)	251,992
Cash outflow from increase in liquid resources	1,181	29,592
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	75,094	(285,861)
	<hr/>	<hr/>
Movement in net debt in the year	(1,791)	(4,277)
Opening net debt	(211,094)	(206,817)
	<hr/>	<hr/>
Closing net debt	(212,885)	(211,094)
	<hr/>	<hr/>

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

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

1.4 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.6 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	2% straight line
Land and buildings Leasehold	5% straight line
Plant and machinery	15% straight line
Fixtures, fittings & equipment	33.33% reducing balance
Motor vehicles	25% straight line

1.7 Stock and work in progress

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

1.8 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.10 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.

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

1 Accounting policies (continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit	2005 £	2004 £
Operating profit is stated after charging:		
Amortisation of intangible assets	2,816	2,302
Depreciation of tangible assets	331,966	280,842
Loss on foreign exchange transactions	1,176	1,143
Research and development	112,578	170,978
Auditors' remuneration	6,700	3,260
Remuneration of auditors for non-audit work	4,000	3,000

and after crediting:

Profit on disposal of tangible assets	(192,785)	(234,556)
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3 Interest payable	2005 £	2004 £
On bank loans and overdrafts	39,158	3,336
On overdue tax	-	1,093
	39,158	4,429

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

4	Taxation	2005	2004
		£	£
	Domestic current year tax		
	U.K. corporation tax	72,640	77,702
	Adjustment for prior years	644	2,032
		<hr/>	<hr/>
	Current tax charge	73,284	79,734
	Deferred tax		
	Deferred tax charge/credit current year	16,570	23,537
		<hr/>	<hr/>
		89,854	103,271
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	437,624	554,701
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	131,287	166,410
		<hr/>	<hr/>
	Effects of:		
	Depreciation add back	78,607	72,626
	Capital allowances	(44,268)	(42,957)
	Other tax adjustments	(92,342)	(116,345)
		<hr/>	<hr/>
		(58,003)	(86,676)
		<hr/>	<hr/>
	Current tax charge	73,284	79,734
		<hr/>	<hr/>
5	Dividends	2005	2004
		£	£
	Ordinary interim paid	24,000	44,000
		<hr/>	<hr/>

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

6 Intangible fixed assets

	Patents £
Cost	
At 1 February 2004	23,021
Additions	5,139
	<hr/>
At 31 January 2005	28,160
	<hr/>
Amortisation	
At 1 February 2004	17,857
Charge for the year	2,816
	<hr/>
At 31 January 2005	20,673
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Net book value	
At 31 January 2005	7,487
	<hr/>
At 31 January 2004	5,164
	<hr/>

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

7 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 February 2004	399,992	1,020,474	506,994	138,762	840,990	2,907,212
Additions	-	20,870	11,526	14,211	835,509	882,116
Disposals	-	-	-	-	(592,116)	(592,116)
At 31 January 2005	399,992	1,041,344	518,520	152,973	1,084,383	3,197,212
Depreciation						
At 1 February 2004	10,388	293,709	379,019	84,264	267,032	1,034,412
On disposals	-	-	-	-	(179,814)	(179,814)
Charge for the year	8,000	52,067	61,498	22,903	187,498	331,966
At 31 January 2005	18,388	345,776	440,517	107,167	274,716	1,186,564
Net book value						
At 31 January 2005	381,604	695,568	78,003	45,806	809,667	2,010,648
At 31 January 2004	389,604	726,765	127,975	54,497	573,957	1,872,798

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

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Net book values			
At 31 January 2005	2,596	-	2,596
At 31 January 2004	3,590	9,000	12,590
Depreciation charge for the year			
31 January 2005	634	-	634
31 January 2004	634	4,500	5,134

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

8 Stocks and work in progress	2005	2004
	£	£
Work in progress	201,059	168,691
Finished goods and goods for resale	808,719	671,943
	<u>1,009,778</u>	<u>840,634</u>
9 Debtors	2005	2004
	£	£
Trade debtors	226,095	135,679
Other debtors	19,266	30,407
Prepayments and accrued income	42,831	57,344
	<u>288,192</u>	<u>223,430</u>
10 Creditors: amounts falling due within one year	2005	2004
	£	£
Bank loans and overdrafts	300,134	280,787
Payments received on account	212,801	213,888
Net obligations under finance leases	1,408	11,533
Trade creditors	189,037	134,106
Corporation tax	73,261	77,678
Other taxes and social security costs	109,721	79,791
Directors' current accounts	417	1,047
Other creditors	16,271	13,779
Accruals and deferred income	148,056	197,327
	<u>1,051,106</u>	<u>1,009,936</u>

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

11 Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loans	232,604	281,582
Net obligations under finance leases	1,173	2,581
	<u>233,777</u>	<u>284,163</u>
Analysis of loans		
Wholly repayable within five years	279,628	343,189
	<u>279,628</u>	<u>343,189</u>
Included in current liabilities	(47,024)	(61,607)
	<u>232,604</u>	<u>281,582</u>
Loan maturity analysis		
In more than one year but not more than two years	47,024	61,607
In more than two years but not more than five years	134,197	281,582
In more than five years	98,407	-
	<u></u>	<u></u>
All bank borrowing is secured by a fixed and floating charge over the assets of the company.		
Net obligations under finance leases		
Repayable within one year	1,408	11,533
Repayable between one and five years	1,173	2,581
	<u>2,581</u>	<u>14,114</u>
Included in liabilities falling due within one year	(1,408)	(11,533)
	<u>1,173</u>	<u>2,581</u>

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 February 2004	77,688
Profit and loss account	16,570
	<u>94,258</u>
Balance at 31 January 2005	<u>94,258</u>

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	<u>94,258</u>	<u>77,688</u>

13 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	<u>60,278</u>	<u>57,416</u>

14 Share capital

	2005 £	2004 £
Authorised		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2004	1,934,628
Retained profit for the year	323,770
	<u>2,258,398</u>
Balance at 31 January 2005	<u>2,258,398</u>

BROTHERWOOD AUTOMOBILITY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

16 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	347,770	451,430
Dividends	(24,000)	(44,000)
Net addition to shareholders' funds	323,770	407,430
Opening shareholders' funds	1,935,628	1,528,198
Closing shareholders' funds	2,259,398	1,935,628

17 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	127,433	131,360
Company pension contributions to money purchase schemes	44,940	44,940
	172,373	176,300

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004- 2).

18 Employees

Number of employees

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

	2005 Number	2004 Number
Management	3	3
Admin and selling	9	8
Production	45	45
	57	56

Employment costs

	£	£
Wages and salaries	1,113,469	1,099,922
Social security costs	122,153	117,817
Other pension costs	60,278	57,416
	1,295,900	1,275,155