

MIKE SAUNDERS MOTORS LTD

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST OCTOBER 1997

W.R.KING & CO
CERTIFIED ACCOUNTANTS



MIKE SAUNDERS MOTORS LTD

| | |
|--------------------|---|
| DIRECTORS: | Mr.M.E.Saunders Mr.M.Saunders Mr.V.H.Johnson |
| REGISTERED NUMBER: | 01454802 |
| REGISTERED OFFICE: | Millands Road Neath |
| BANKERS: | Barclays Bank Plc. The Parade Neath |
| ACCOUNTANTS: | W.R.King & Co. Certified Accountants 44 Victoria Gardens Neath West Glamorgan SA11 3BH |

MIKE SAUNDERS MOTORS LTD
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997

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The following page does not form part of the Statutory Accounts ,
Appendix

1. Trading and Profit and Loss Account

MIKE SAUNDERS MOTORS LTD
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST OCTOBER 1997

The directors present their annual report with the accounts of the company for the Year ended 31st October 1997.

PRINCIPAL ACTIVITY

DIRECTORS

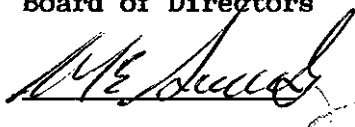
The directors in office in the Year and their beneficial interests in the company's issued ordinary share capital were as follows:

| | Ordinary Shares of £1 each | |
|-----------------|----------------------------|-------------|
| | <u>1997</u> | <u>1996</u> |
| Mr.M.E.Saunders | 99 | 99 |
| Mr.M.Saunders | - | - |
| Mr.V.H.Johnson | - | - |

SMALL COMPANY EXEMPTIONS

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

Signed on behalf of The
Board of Directors



Mr.M.Saunders
Secretary

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL ACCOUNTS OF
MIKE SAUNDERS MOTORS LTD

We report on the financial accounts for the Year ended 31st October 1997 set out on pages 3 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4, the company's directors are responsible for the preparation of the financial accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

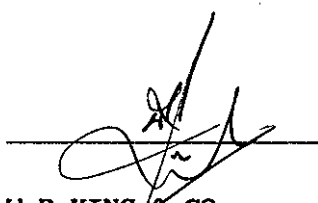
BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial 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. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the financial accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial 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).



W.R.KING & CO
Reporting Accountants
44 Victoria Gardens
Neath
West Glamorgan
SA11 3BH

MIKE SAUNDERS MOTORS LTDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1997

| | <u>Notes</u> | <u>1997</u> | <u>1996</u> |
|--|--------------|-------------|-------------|
| | | £ | £ |
| TURNOVER | | 320,069 | 334,706 |
| Cost of Sales | | 268,868 | 282,735 |
| <u>GROSS PROFIT</u> | | 51,201 | 51,971 |
| Net Operating Expenses | | | |
| Administrative Expenses | 73,118 | | 85,803 |
| Other Operating Income | (21,878) | | (17,036) |
| | | 51,240 | 68,767 |
| <u>LOSS ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u> | | (39) | (16,796) |
| Tax on Ordinary Activities | | - | (16,140) |
| <u>LOSS ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u> | | £ (39) | £ (656) |
| <u>STATEMENT OF RETAINED EARNINGS</u> | | | |
| Loss Brought Forward | | (22,024) | (21,369) |
| Loss for the Year | | (39) | (656) |
| <u>RETAINED LOSS CARRIED FORWARD</u> | | £ (22,063) | £ (22,025) |

None of the company's activities were acquired or discontinued during the above two financial years.

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

The notes on pages 5 to 7 form part of these accounts.

MIKE SAUNDERS MOTORS LTDBALANCE SHEET
AS AT 31ST OCTOBER 1997

| | <u>Notes</u> | <u>1997</u> | <u>1996</u> |
|--|--------------|-------------------|-------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible Assets | 3 | 43,298 | 43,555 |
| CURRENT ASSETS | | | |
| Stock and Work in Progress | 4 | 38,731 | 46,275 |
| Debtors | 5 | 19,692 | 10,658 |
| | | <u>58,423</u> | <u>56,933</u> |
| CREDITORS : Amounts Falling Due within One Year | 6 | (123,684) | (122,413) |
| NET CURRENT LIABILITIES | | <u>(65,261)</u> | <u>(65,480)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>£ (21,963)</u> | <u>£ (21,925)</u> |
| CAPITAL AND RESERVES | | | |
| Share Capital | 7 | 100 | 100 |
| Profit and Loss Account | | <u>(22,063)</u> | <u>(22,025)</u> |
| TOTAL SHAREHOLDERS' FUNDS | | <u>£ (21,963)</u> | <u>£ (21,925)</u> |

continued

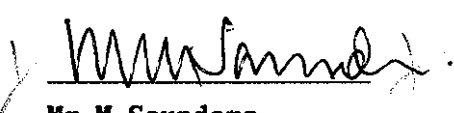
MIKE SAUNDERS MOTORS LTDBALANCE SHEET
(continued)
AS AT 31ST OCTOBER 1997

The directors consider that for the Year ended 31st October 1997 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial Year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial Year and of its profit or loss for the financial Year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors


Mr. M. Saunders
Director

Approved by the board:

The notes on pages 5 to 7 form part of these accounts.

MIKE SAUNDERS MOTORS LTDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified to incorporate the revaluation of certain fixed assets.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

| | |
|-----------------------|-------------|
| Fixtures and Fittings | 20% on cost |
|-----------------------|-------------|

No depreciation is provided on freehold land.

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Deferred Taxation is provided on the liability method in respect of the, taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. DIRECTORS' REMUNERATION

| | <u>1997</u> | <u>1996</u> |
|-----------------------|-------------|-------------|
| | £ | £ |
| Directors' Emoluments | 16,430 | 22,900 |

MIKE SAUNDERS MOTORS LTD

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997

3. TANGIBLE FIXED ASSETS

| | Land & Buildings £ | Plant & Machinery etc £ | TOTAL £ |
|-----------------------|--------------------------|-------------------------------|-------------|
| COST | | | |
| At 1st November 1996 | 38,268 | 15,761 | 54,029 |
| Additions in Year | - | 1,000 | 1,000 |
| | <hr/> | <hr/> | <hr/> |
| At 31st October 1997 | 38,268 | 16,761 | 55,029 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| DEPRECIATION | | | |
| At 1st November 1996 | - | 10,474 | 10,474 |
| Charge for the Year | - | 1,257 | 1,257 |
| | <hr/> | <hr/> | <hr/> |
| At 31st October 1997 | - | 11,731 | 11,731 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| NET BOOK VALUE | | | |
| At 31st October 1997 | 38,268 | 5,030 | 43,298 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31st October 1996 | 38,268 | 5,287 | 43,555 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

4. STOCKS

| | <u>1997</u> £ | <u>1996</u> £ |
|--------|------------------|------------------|
| Stocks | 38,731 | 46,275 |
| | <hr/> | <hr/> |

5. DEBTORS

| | <u>1997</u> £ | <u>1996</u> £ |
|-------------------------------------|------------------|------------------|
| Amounts due within one year: | | |
| Trade Debtors | 13,724 | 10,658 |
| Other Debtors | 5,968 | - |
| | <hr/> | <hr/> |
| | 19,692 | 10,658 |
| | <hr/> <hr/> | <hr/> <hr/> |

6. CREDITORS: Amounts falling Due within One Year

| | <u>1997</u> £ | <u>1996</u> £ |
|---------------------------------|------------------|------------------|
| Bank Overdrafts and Loans | 91,436 | 91,521 |
| Trade Creditors | 14,251 | 11,829 |
| Social Security and Other Taxes | 2,057 | 3,776 |
| Other Creditors | 15,940 | 15,287 |
| | <hr/> | <hr/> |
| | 123,684 | 122,413 |
| | <hr/> <hr/> | <hr/> <hr/> |

MIKE SAUNDERS MOTORS LTDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 19977. SHARE CAPITAL

| | <u>1997</u> | <u>1996</u> |
|---------------------------------|-------------------|-------------------|
| | £ | £ |
| Authorised | 1000 | 1000 |
| | <u> </u> | <u> </u> |
| Allotted, Issued and Fully Paid | 100 | 100 |
| | <u> </u> | <u> </u> |

MIKE SAUNDERS MOTORS LTDTRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1997

| | £ | 1997 | £ | £ | 1996 | £ |
|--|---|---------|---------|---|---------|----------|
| Sales | | | 320,069 | | | 334,706 |
| COST OF SALES | | | | | | |
| Purchases | | 59,045 | | | 50,204 | |
| Cars for Resale | | 209,823 | | | 232,531 | |
| | | | 268,868 | | | 282,735 |
| GROSS PROFIT | | | 51,201 | | | 51,971 |
| Rents Received | | | 21,878 | | | 17,036 |
| | | | 73,079 | | | 69,007 |
| LESS OVERHEADS | | | | | | |
| Wages and Salaries | | 14,418 | | | 15,353 | |
| Subcontractors | | 2,180 | | | 3,935 | |
| Motor Running Expenses | | 3,436 | | | 3,654 | |
| Repairs and Renewals | | 1,020 | | | 1,736 | |
| Telephone Charges | | 2,505 | | | 1,892 | |
| Printing and Stationery | | 445 | | | 501 | |
| Advertising | | 3,071 | | | 3,378 | |
| Heating and Lighting | | 760 | | | 1,549 | |
| Insurances | | 2,752 | | | 5,635 | |
| Rent and Rates | | 11,333 | | | 12,043 | |
| Bank Charges | | 10,957 | | | 11,059 | |
| Legal and Professional Fees | | 100 | | | 895 | |
| Sundry Expenses | | 392 | | | 419 | |
| Directors' Emoluments | | 16,430 | | | 22,900 | |
| Directors' Money Purchase Pension Sche | | 1,162 | | | 1,158 | |
| Auditors' Remuneration | | 900 | | | 875 | |
| Depreciation Fixtures & Fittings | | 1,257 | | | 1,321 | |
| Sale of Tangible Fixed Assets | | - | | | (2,500) | |
| | | | 73,118 | | | 85,803 |
| NET LOSS FOR THE YEAR | | | £ 39 | | | £ 16,796 |

This page does not form part of the statutory accounts.