

Barnes Coachworks Limited
Financial Statements
For
31 December 2003

BISHOP FLEMING
Chartered Accountants & Registered Auditors
19 Portland Square
Bristol
BS2 8SJ



Barnes Coachworks Limited

Financial Statements

Year Ended 31 December 2003

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Barnes Coachworks Limited

Officers and Professional Advisers

The Board of Directors

Mr R D Barnes
Mrs D M Barnes
Mr S R Barnes

Company Secretary

Mrs D M Barnes

Registered Office

1 Georges Square
Bristol
BS1 6BP

Auditors

Bishop Fleming
Chartered Accountants
& Registered Auditors
19 Portland Square
Bristol
BS2 8SJ

Barnes Coachworks Limited

The Directors' Report

Year Ended 31 December 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

Principal activities

The principal activity of the company during the year was that of panel beating and vehicle repairing.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2003	At 1 January 2003
Mr R D Barnes	1	1
Mrs D M Barnes	1	1
Mr S R Barnes	—	—

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Donations

During the year the company made the following contributions:

	2003 £	2002 £
Charitable	315	200

Auditors

A resolution to re-appoint Bishop Fleming as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Barnes Coachworks Limited

The Directors' Report *(continued)*

Year Ended 31 December 2003

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

1 Georges Square

Bristol

BS1 6BP

Signed on behalf of the directors



Mr R D Barnes

Director

Approved by the directors on ...6/5/04.....

Barnes Coachworks Limited**Independent Auditors' Report to the Shareholders****Year Ended 31 December 2003**

We have audited the financial statements on pages 6 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 8 .

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the 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 on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Barnes Coachworks Limited

Independent Auditors' Report to the Shareholders *(continued)*

Year Ended 31 December 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as 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.

Bishop Fleming

19 Portland Square
Bristol
BS2 8SJ

6/5/04

BISHOP FLEMING
Chartered Accountants
& Registered Auditors

Barnes Coachworks Limited**Profit and Loss Account****Year Ended 31 December 2003**

	Note	2003 £	2002 £
Turnover		2,399,315	2,321,846
Cost of sales		<u>1,802,459</u>	<u>1,730,480</u>
Gross profit		596,856	591,366
Administrative expenses		<u>393,643</u>	<u>356,823</u>
Operating profit	2	203,213	234,543
Interest receivable and similar income		2,373	450
Interest payable and similar charges		—	(108)
Profit on ordinary activities before taxation		205,586	234,885
Tax on profit on ordinary activities	4	<u>43,576</u>	<u>40,237</u>
Profit on ordinary activities after taxation		162,010	194,648
Equity dividends paid and proposed		<u>184,578</u>	<u>179,284</u>
(Loss)/retained profit for the financial year		(22,568)	15,364
Balance brought forward		<u>240,065</u>	<u>224,701</u>
Balance carried forward		<u>217,497</u>	<u>240,065</u>

The notes on pages 8 to 11 form part of these financial statements.

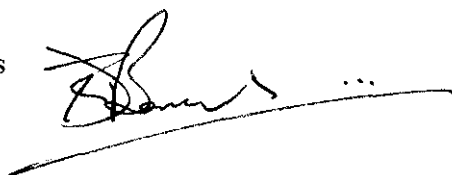
Barnes Coachworks Limited**Balance Sheet****31 December 2003**

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	5	292,848	236,734
Current assets			
Stocks		34,182	27,474
Debtors	6	190,681	255,460
Cash at bank		145,992	144,120
		<u>370,855</u>	<u>427,054</u>
Creditors: Amounts falling due within one year	7	<u>437,637</u>	<u>414,466</u>
Net current (liabilities)/assets		<u>(66,782)</u>	<u>12,588</u>
Total assets less current liabilities		<u>226,066</u>	<u>249,322</u>
Provisions for liabilities and charges			
Deferred taxation	8	8,567	9,255
		<u>217,499</u>	<u>240,067</u>
Capital and reserves			
Called-up equity share capital	11	2	2
Profit and loss account		<u>217,497</u>	<u>240,065</u>
Shareholders' funds		<u>217,499</u>	<u>240,067</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 6/5/04 and are signed on their behalf by:

Mr R D Barnes
Director



Barnes Coachworks Limited**Notes to the Financial Statements****Year Ended 31 December 2003****1. Accounting policies****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

(c) Fixed assets

All fixed assets are initially recorded at cost.

(d) Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Property	-	5% reducing balance
Plant & Machinery	-	15% reducing balance
Computer Equipment	-	25% reducing balance
Motor Vehicles	-	25% reducing balance

(e) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(g) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

(h) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Operating profit

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	25,356	24,281
Loss/(Profit) on disposal of fixed assets	365	(7,760)
Auditors' fees	5,745	5,500
	<u>5,745</u>	<u>5,500</u>

Barnes Coachworks Limited**Notes to the Financial Statements****Year Ended 31 December 2003****3. Directors' emoluments**

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	99,590	93,367
Value of company pension contributions to money purchase schemes	3,206	3,000
	<u>102,796</u>	<u>96,367</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

4. Tax on profit on ordinary activities**(a) Analysis of charge in the year**

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	39,750	45,479
Over/under provision in prior year	4,514	(4,602)
Total current tax	<u>44,264</u>	<u>40,877</u>
Deferred tax:		
Decrease in deferred tax provision (note 8)		
Capital allowances	(688)	(640)
Tax on profit on ordinary activities	<u>43,576</u>	<u>40,237</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>205,586</u>	<u>234,885</u>
Profit/(loss) on ordinary activities by rate of tax	39,061	44,628
Disallowed expenses	-	320
Depreciation in excess of capital allowances	620	1,422
Difference in tax rates during the year	-	583
Over/under provided in previous years	4,514	(4,602)
Fixed asset (profit)/loss on disposals	69	(1,474)
Total current tax (note 4(a))	<u>44,264</u>	<u>40,877</u>

Barnes Coachworks Limited**Notes to the Financial Statements****Year Ended 31 December 2003****5. Tangible fixed assets**

	Property £	Plant & Machinery £	Computer equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2003	210,556	160,242	11,441	45,981	428,220
Additions	71,799	8,955	1,081	—	81,835
Disposals	—	—	—	(650)	(650)
At 31 December 2003	282,355	169,197	12,522	45,331	509,405
Depreciation					
At 1 January 2003	46,312	119,309	7,538	18,327	191,486
Charge for the year	9,803	7,485	1,246	6,822	25,356
On disposals	—	—	—	(285)	(285)
At 31 December 2003	56,115	126,794	8,784	24,864	216,557
Net book value					
At 31 December 2003	226,240	42,403	3,738	20,467	292,848
At 31 December 2002	164,244	40,933	3,903	27,654	236,734

6. Debtors

	2003 £	2002 £
Trade debtors	183,658	185,148
Directors current accounts	—	50,490
Other debtors	7,023	19,822
	190,681	255,460

7. Creditors: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	164,297	181,624
Corporation tax	39,492	45,389
Other taxation	51,603	39,170
Other creditors	182,245	148,283
	437,637	414,466

8. Deferred taxation

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	9,255	9,895
Profit and loss account movement arising during the year	(688)	(640)
Provision carried forward	8,567	9,255

Barnes Coachworks Limited**Notes to the Financial Statements****Year Ended 31 December 2003****8. Deferred taxation (continued)**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	8,567	9,255
	<u>8,567</u>	<u>9,255</u>

9. Commitments under operating leases

At 31 December 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003 £	2002 £
Operating leases which expire:		
Within 1 year	4,581	25,655
Within 2 to 5 years	22,954	9,599
After more than 5 years	40,000	35,000
	<u>67,535</u>	<u>70,254</u>

10. Related party transactions

The company was under the control of Mr R D and Mrs D M Barnes throughout the current and previous year. Mr R D and Mrs D M Barnes are both directors and shareholders.

The company continued to rent its workshop premises from Mr R D and Mrs D M Barnes at an annual commercial rent of £25,000 (2002: £25,000). Payments were also made to and on behalf of Mr and Mrs Barnes during the year, and at the year end there was an amount due to them of £3,366 (2002: £50,490 debtor). This amount is included in creditors.

11. Share capital**Authorised share capital:**

	2003 £	2002 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>