

L & F COMMERCIAL PARTS
SPECIALISTS LIMITED

FINANCIAL STATEMENTS

30 JUNE 1999

Registered number: 3029286

HOUGHTON STONE
REGISTERED AUDITORS
Hambrook



L & F COMMERCIAL PARTS SPECIALISTS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 June 1999

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7 to 11

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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L & F COMMERCIAL PARTS SPECIALISTS LIMITED

COMPANY INFORMATION

30 June 1999

NUMBER	3029286
DIRECTORS	M Leach R Ford (Deceased 27 February 2000) D Ford
SECRETARY	M Leach
REGISTERED OFFICE	The Conifers Filton Road Hambrook Bristol BS16 1QG
BANKERS	Lloyds Bank Plc Westbury-on-Trym Branch 15 High Street Westbury-on-Trym Bristol BS9 3DA
AUDITORS	Houghton Stone Registered Auditors The Conifers Filton Road Hambrook Bristol BS16 1QG

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

DIRECTORS' REPORT

30 June 1999

The directors present their report and the audited financial statements for the year ended 30 June 1999.

Principal activity

The principal activity of the company that of commercial vehicle parts distributors.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30 June 1999 Ordinary shares	1 July 1998 Ordinary shares
M Leach	1	1
R Ford (Deceased 27 February 2000)	1	1
D Ford	1	1

Auditors

Houghton Stone have agreed to offer themselves for re-appointment as auditors of the company.

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.

On behalf of the board



M Leach
Secretary

The Conifers
Filton Road
Hambrook
Bristol BS16 1QG

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

STATEMENT OF 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 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



M Leach
Director

L & F COMMERCIAL PARTS SPECIALISTS LIMITED**AUDITORS' REPORT**

**Auditors' report to the members of
L & F Commercial Parts Specialists Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

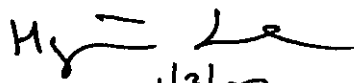
An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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. However, the evidence available to us was limited because records of stock on hand at 30 June 1999 were not retained. There were no other satisfactory audit procedures that we could adopt to confirm the stock valuation.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning closing stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


11/3/00

Houghton Stone
Registered Auditors

The Conifers
Filton Road
Hambrook
Bristol
BS16 1QG

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1999

	Note	1999 £	1998 £
Turnover	2	547,175	485,744
Cost of sales		(381,102)	(331,505)
Gross profit		166,073	154,239
Net operating expenses			
Administrative expenses		(153,688)	(150,612)
Operating profit	3	12,385	3,627
Interest payable	5	(3,028)	(3,835)
Profit/(loss) on ordinary activities before taxation		9,357	(208)
Taxation	6	(1,921)	43
Profit/(loss) on ordinary activities after taxation		7,436	(165)
Dividends	7	(4,200)	-
Retained profit/(loss) for the year	16	3,236	(165)

Movements in reserves are shown in note 16.

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

There were no recognised gains and losses in 1999 or 1998 other than the profit/(loss) for the year.

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

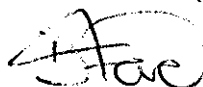
BALANCE SHEET

at 30 June 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	16,648	11,610
Current assets			
Stocks	9	50,275	52,500
Debtors	10	115,322	90,483
Cash at bank and in hand		373	213
		<u>165,970</u>	<u>143,196</u>
Creditors: amounts falling due within one year	11	(166,606)	(135,413)
Net current (liabilities)/assets		<u>(636)</u>	<u>7,783</u>
Total assets less current liabilities		16,012	19,393
Creditors: amounts falling due after more than one year	12	(7,361)	(13,932)
Provision for liabilities and charges		<u>(424)</u>	<u>(470)</u>
		<u>8,227</u>	<u>4,991</u>
Capital and reserves			
Called up share capital	15	3	3
Profit and loss account	16	<u>8,224</u>	<u>4,988</u>
Total shareholders' funds	14	<u>8,227</u>	<u>4,991</u>

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

The financial statements on pages 5 to 11 were approved by the board of directors on 1 March 2000 and signed on its behalf by:



D Ford
Director

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% on reducing balance basis
Fixtures and fittings	15% on reducing balance basis

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks have been valued by the directors' at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

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**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 1999

3 Operating profit

	1999 £	1998 £
Operating profit is stated after charging:		
Auditors' remuneration	1,000	1,000
Operating leases:		
Hire of assets other than plant & machinery	276	-
Rent	5,510	5,510
Loss on sale of assets	1,794	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 8):		
Owned assets	2,281	2,212
Leased assets	886	1,044
	<u> </u>	<u> </u>
	3,167	3,256
	<u> </u>	<u> </u>

4 Directors

	1999 £	1998 £
Directors' emoluments	80,489	74,193
	<u> </u>	<u> </u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,318 (1998 £6,156). Contributions totalling £0 (1998 £0) were payable to the fund at 30 June 1999 and are included in creditors.

5 Interest payable

	1999 £	1998 £
Interest payable	3,028	3,835
	<u> </u>	<u> </u>

6 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 20% (1998 21%)	1,984	-
Deferred taxation	(46)	(43)
	<u> </u>	<u> </u>
	1,938	(43)
Over provision in earlier years	(17)	-
	<u> </u>	<u> </u>
	1,921	(43)
	<u> </u>	<u> </u>

NOTES ON FINANCIAL STATEMENTS

30 June 1999

7 Dividends

	1999 £	1998 £
Equity - ordinary/interim	<u>4,200</u>	<u>-</u>

8 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1 July 1998	18,510
Additions	11,099
Disposals	(6,285)
30 June 1999	<u>23,324</u>
Depreciation	
1 July 1998	6,900
Charge for the year	3,167
Disposals	(3,391)
30 June 1999	<u>6,676</u>
Net book amount	
30 June 1999	<u>16,648</u>
1 July 1998	<u>11,610</u>

The net book amount of fixed assets includes £8,759 (1998 £3,545) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9 Stocks

	1999 £	1998 £
Stocks	<u>50,275</u>	<u>52,500</u>

10 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	<u>115,322</u>	<u>90,483</u>

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 1999

11 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	45,329	44,693
Trade creditors	102,616	81,705
Obligations under finance leases and hire purchase contracts - note 12	2,565	998
Corporation tax	1,984	17
Other taxation and social security	8,864	7,137
Other creditors	5,248	863
	<u>166,606</u>	<u>135,413</u>

12 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Other liabilities		
Bank loans	4,114	12,933
Obligations under finance leases and hire purchase contracts	3,247	999
	<u>7,361</u>	<u>13,932</u>
Maturity of debt included above		
In one year or less, or on demand	13,067	11,303
In more than one year but not more than two years	4,114	12,933
	<u>17,181</u>	<u>24,236</u>

Obligations under finance leases and hire purchase contracts

Amounts included above are repayable over varying periods by monthly instalments as follows:

In the next year	2,565	998
In the second to fifth years	3,247	999
	<u>5,812</u>	<u>1,997</u>

Bank overdraft and loans are secured by a debenture over the company's assets. The directors have also provided a joint and several guarantee to the bank.

L & F COMMERCIAL PARTS SPECIALISTS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 1999

13 Deferred taxation

	1999		1998	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	-	424	-	470
	<u>-</u>	<u>424</u>	<u>-</u>	<u>470</u>
	<u>-</u>	<u>424</u>	<u>-</u>	<u>470</u>

Deferred taxation is based on a corporation tax rate of 20% (1998 21%).

14 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit/(loss) for the financial year	7,436	(165)
Dividends	(4,200)	-
Net addition to/(subtraction from) shareholders' funds	3,236	(165)
Opening shareholders' funds	4,991	5,156
Closing shareholders' funds	<u>8,227</u>	<u>4,991</u>

15 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

16 Profit and loss account

	1999 £
1 July 1998	4,988
Retained profit for the year	<u>3,236</u>
30 June 1999	<u>8,224</u>