

COMPANY NUMBER:
3199737 (ENGLAND & WALES)

MARSTART LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

SOKHI & ASSOCIATES
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
86B ALBERT ROAD
ILFORD
ESSEX
IG1 1HR



MARSTART LTD
COMPANY INFORMATION

Company Number: 3199737 (England & Wales)

Directors: Mr H Patel
Mr K Hussain (resigned 4th May 2000)

Secretary: Mr K Hussain

Registered Office: 155 Plashet Road
Upton Park
London E13 0QZ

Auditors: Sokhi & Associates
Chartered Certified Accountants
Registered Auditors
86B Albert Road
Ilford
Essex
IG1 1HR

MARSTART LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

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MARSTART LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2000

The directors present their report and the financial statements for the year ended 31st May 2000.

Principal activities

The principal activity of the company continues to be that of retailing new and second hand tyres and wheels and related activities.

Donations

Payments of a charitable nature during the year amounted to £100.

Directors' interests

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

	2000 No.	1999 of shares
Mr H Patel	1	1
Mr K Hussain (resigned on 4th May 2000)	-	1

Responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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.

Auditors

The auditors, Sokhi & Associates, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

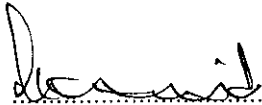
MARSTART LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2000

This report was approved by the board on 26th March 2001 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

On behalf of the board

A handwritten signature in black ink, appearing to read 'K Hussain', written over a dotted line.

Mr K Hussain

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
MARSTART LTD
FOR THE YEAR ENDED 31ST MAY 2000

We have audited the financial statements on pages 4 to 9 which have been which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000), under the historical cost convention and the accounting policies on page 6.

Respective responsibilities of directors and auditors

As described in the directors' report 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 financial statements and to report our opinion to you.

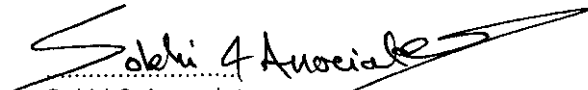
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 misstatements, 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 31st May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Sokhi & Associates
Chartered Certified Accountants
Registered Auditors
86B Albert Road
Ilford
Essex
IG1 1HR

27th March 2001

MARSTART LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 2000

	Note	2000 £	1999 £
Turnover	2	644,800	694,383
Cost of sales		(464,274)	(496,064)
Gross Profit		<u>180,526</u>	<u>198,319</u>
Administrative expenses		(172,483)	(188,919)
Operating profit	3	<u>8,043</u>	<u>9,400</u>
Profit on ordinary activities before taxation		8,043	9,400
Tax on profit on ordinary activities	4	(1,609)	(2,604)
Retained profit for the year		<u>£ 6,434</u>	<u>£ 6,796</u>

The annexed notes form part of these financial statements.

MARSTART LTD
BALANCE SHEET
AS AT 31ST MAY 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	5		17,151		28,313
Current assets					
Stocks		58,746		92,378	
Debtors	6	13,606		5,622	
Cash at bank and in hand		16,276		14,293	
		<u>88,628</u>		<u>112,293</u>	
Creditors					
Amounts falling due within one year	7	<u>(47,116)</u>		<u>(88,377)</u>	
Net current assets			41,512		23,916
Total assets less current liabilities			<u>58,663</u>		<u>52,229</u>
Net assets			<u>£ 58,663</u>		<u>£ 52,229</u>
Capital and reserves					
Called up share capital	8		5		5
Profit and loss account	9		58,658		52,224
Shareholders' funds			<u>£ 58,663</u>		<u>£ 52,229</u>

Approved by the board of directors on 26th March 2001 and signed on its behalf. These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Small Entities (Effective March 2000).



 Mr H Patel

The annexed notes form part of these financial statements.

MARSTART LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

1. Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property Improvements	10% straight line basis
Plant and machinery	25% reducing balance basis
Motor vehicles	25% reducing balance basis

Stocks

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to profit and loss account to spread the cost of the pensions over the employees working lives.

2. Turnover

Turnover is attributable solely to continuing operations and derives from one activity that of retailing new and second hand tyres and wheels.

The turnover and profit before taxation is attributable to the principal activity of the company, and is earned entirely within the United Kingdom.

MARSTART LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

3. Operating profit

	2000 £	1999 £
This is stated after charging:		
Directors' remuneration	43,390	58,172
Auditors' remuneration and expenses	1,000	1,000
Depreciation of owned assets	6,634	6,458
Pension Costs	12,605	13,456
	<u> </u>	<u> </u>

4. Taxation on profit on ordinary activities

	2000 £	1999 £
Current year:		
United Kingdom Corporation Tax	1,609	2,604
	<u> </u>	<u> </u>
	£1,609	£2,604
	<u> </u>	<u> </u>

5. Tangible fixed assets

	Land and Buildings £	Plant and Machinery etc £	Total £
Cost:			
At 1st June 1999	16,000	28,880	44,880
Additions	-	5,232	5,232
Disposals	-	(17,232)	(17,232)
	<u> </u>	<u> </u>	<u> </u>
At 31st May 2000	16,000	16,880	32,880
	<u> </u>	<u> </u>	<u> </u>
Depreciation:			
At 1st June 1999	2,590	13,978	16,568
Charge for the year	1,600	5,033	6,633
Eliminated on disposal	-	(7,472)	(7,472)
	<u> </u>	<u> </u>	<u> </u>
At 31st May 2000	4,190	11,539	15,729
	<u> </u>	<u> </u>	<u> </u>
Net book value:			
At 31st May 2000	£ 11,810	£ 5,341	£ 17,151
	<u> </u>	<u> </u>	<u> </u>
At 31st May 1999	£ 13,410	£ 14,902	£ 28,312
	<u> </u>	<u> </u>	<u> </u>

MARSTART LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

6. Debtors

	2000 £	1999 £
Due within one year:		
Trade debtors	7,924	-
Other debtors	5,682	5,622
	<u>£13,606</u>	<u>£ 5,622</u>

7. Creditors - amounts falling due within one year

	2000 £	1999 £
Trade creditors	29,876	47,176
Taxation and social security	7,746	9,560
Director's current account	3,256	25,403
Other creditors	6,238	6,238
	<u>£47,116</u>	<u>£88,377</u>

8. Share capital

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	5	5
	<u> </u>	<u> </u>

9. Profit and loss account

	2000 £
Balance at 1st June 1999	52,224
Profit retained for the year	6,434
	<u> </u>
Balance at 31st May 2000	<u>£58,658</u>

MARSTART LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

10. Transactions with directors and officers

The business premises from which the company operates are owned by the directors and rent of £19,000 (1999 - £20,000) was paid by the company to the directors for use of the premises.