

TOWBAR SERVICES LIMITED

Directors' Report

The directors present their report and accounts for the year ended 31 December 2004.

Principal activities and business review

The company's principal activity during the year continued to be the provision and fitting of towbars and related equipment.

The company increased turnover and margins in the year under review and the Directors were pleased with the overall profitability achieved. The Directors consider that the market place remains competitive but are confident that operational efficiency and profitability can be maintained in the future.

Directors

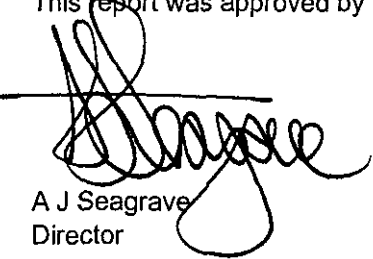
The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	31 Dec 2004	1 Jan 2004
A J Seagrave	1	1
A F Seagrave	1	1

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 29 September 2005.


A J Seagrave
Director

Registered number

03718773


Registered in England and Wales



TOWBAR SERVICES LIMITED
Accountants' Report

**Accountants' report on the unaudited accounts
to the directors of TOWBAR SERVICES LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2004, set out on pages 3 to 7, and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



D J Bryant FCA

HAZELL MINSHALL & Co
Clarendon Court
Over Wallop
Stockbridge
Hants SO20 8HU

29 September 2005

TOWBAR SERVICES LIMITED
Profit and Loss Account
for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover		587,557	521,989
Cost of sales		(292,266)	(266,827)
Gross profit		<u>295,291</u>	<u>255,162</u>
Administrative expenses		(191,161)	(179,435)
Operating profit	2	<u>104,130</u>	<u>75,727</u>
Exceptional items:			
loss on the disposal of tangible fixed assets		-	(1,200)
		<u>104,130</u>	<u>74,527</u>
Interest receivable		1,431	648
Interest payable		(375)	(1,958)
Profit on ordinary activities before taxation		<u>105,186</u>	<u>73,217</u>
Tax on profit on ordinary activities	3	(19,856)	(13,911)
Profit for the financial year		<u>85,330</u>	<u>59,306</u>
Dividends		(25,726)	(26,360)
Retained profit for the financial year	8	<u>59,604</u>	<u>32,946</u>

TOWBAR SERVICES LIMITED**Balance Sheet****as at 31 December 2004**

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	4	21,119	26,399
Current assets			
Stocks		11,881	26,002
Debtors	5	41,637	40,107
Cash at bank and in hand		147,567	79,471
		<u>201,085</u>	<u>145,580</u>
Creditors: amounts falling due within one year	6	(129,652)	(139,031)
Net current assets		<u>71,433</u>	<u>6,549</u>
Net assets		<u>92,552</u>	<u>32,948</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	92,550	32,946
Shareholders' funds		<u>92,552</u>	<u>32,948</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) 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 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.



A F Seagrave
Director

Approved by the board on 21 September 2005

TOWBAR SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2004

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 June 2002).

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Office equipment	20% on written down value
Motor vehicles	20% on written down value
Plant and machinery	20% on written down value

Stocks

Stock is valued at the lower of cost and net realisable value.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating profit	2004	2003
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	5,280	6,900
	<hr/>	<hr/>
3 Taxation	2004	2003
	£	£
UK corporation tax	19,856	13,911
	<hr/>	<hr/>
	19,856	13,911

TOWBAR SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2004

4 Tangible fixed assets

	Plant and machinery etc £	Office equipment £	Motor vehicles £	Total £
Cost or net book value				
At 1 January 2004	5,086	4,270	23,943	33,299
At 31 December 2004	5,086	4,270	23,943	33,299
Depreciation				
At 1 January 2004	1,017	854	5,029	6,900
Charge for the year	814	683	3,783	5,280
At 31 December 2004	1,831	1,537	8,812	12,180
Net book value				
At 31 December 2004	3,255	2,733	15,131	21,119
At 31 December 2003	4,069	3,416	18,914	26,399

5 Debtors

	2004 £	2003 £
Trade debtors	41,637	40,107

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Obligations under finance lease and hire purchase contracts	5,833	9,167
Trade creditors	27,562	30,814
Corporation tax	19,856	13,911
Other taxes and social security costs	18,617	7,979
Directors Loan a/c	53,913	63,760
Other creditors	3,871	13,400
	129,652	139,031

7 Share capital

	2004 £	2003 £
Authorised:		
Ordinary shares of £1 each	2	2
	2004 No	2003 No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	2	2

TOWBAR SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2004

8 Profit and loss account

	2004	2003
	£	£
At 1 January	32,946	-
Retained profit	59,604	32,946
	<hr/>	<hr/>
At 31 December	92,550	32,946