

Company Registration No. 26980 (Scotland)

JOHN ADAMS (COACH SUPPLIES) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004



JOHN ADAMS (COACH SUPPLIES) LIMITED

COMPANY INFORMATION

Directors	I. R. Adams P. R. Adams J. A. Adams K. M. Adams G. S. Reid N. Shackleton
Secretary	Karen M Adams
Company number	26980
Registered office	Atlas Industrial Estate Edgefauld Road Springburn Glasgow G21 4RU
Auditors	Wylie & Bisset 168 Bath Street Glasgow G2 4TP
Bankers	The Royal Bank Of Scotland 116 Cowgate Kirkintilloch Glasgow G66 1JW
Solicitors	Wright, Johnston & Mackenzie 302 St Vincent Street Glasgow G2 5RZ

JOHN ADAMS (COACH SUPPLIES) LIMITED

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JOHN ADAMS (COACH SUPPLIES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004

The directors present their report and financial statements for the year ended 30 September 2004.

Principal activities and review of the business

The principal activity of the company remained that of the supply of commercial, private and bus body fittings and aluminium sheet and sections. The principal activity of the company's subsidiary company, D. W. Marshall and Co Limited, is manufacturing commercial vehicle body kits, metal fabrication and metal stockholding based mainly in the transport industry.

Results and dividends

The results for the year are set out on page 4.

The directors recommend payment of an ordinary dividend amounting to £34,200.

Directors

The following directors have held office since 1 October 2003:

I. R. Adams
P. R. Adams
J. A. Adams
K. M. Adams
G. S. Reid
N. Shackleton

In accordance with the company's Articles of Association, Mr I R Adams and Mr P R Adams retire by rotation and, being eligible, offer themselves for re-election.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	30 September 2004	1 October 2003
I. R. Adams	1,026	1,026
P. R. Adams	2,218	2,218
J. A. Adams	1,026	1,026
K. M. Adams	2,140	2,140
G. S. Reid	-	-
N. Shackleton	-	-

Charitable donations	2004	2003
	£	£

During the year the company made the following payments:

Charitable donations	1,638	780
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Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Wylie & Bisset be reappointed as auditors of the company will be put to the Annual General Meeting.

JOHN ADAMS (COACH SUPPLIES) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

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 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.

By order of the board



Karen M Adams

Secretary

25 November 2004

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF JOHN ADAMS (COACH SUPPLIES) LIMITED**

We have audited the financial statements of John Adams (Coach Supplies) Limited on pages 4 to 17 for the year ended 30 September 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Wylie & Bisset

25 November 2004

Chartered Accountants
Registered Auditor

168 Bath Street
Glasgow
G2 4TP

 UK200 Group

JOHN ADAMS (COACH SUPPLIES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	7,626,828	5,392,918
Cost of sales		(6,021,349)	(4,266,111)
Gross profit		1,605,479	1,126,807
Administrative expenses		(1,472,308)	(1,061,662)
Other operating income		212	-
Operating profit	3	133,383	65,145
Investment income	4	17,850	30,600
Other interest receivable and similar income		2,083	6,480
Interest payable and similar charges	5	(31,747)	(115)
Profit on ordinary activities before taxation		121,569	102,110
Tax on profit on ordinary activities	6	(24,824)	(19,312)
Profit on ordinary activities after taxation		96,745	82,798
Dividends	7	(34,200)	(34,200)
Retained profit for the year	17	62,545	48,598

The profit and loss account has been prepared on the basis that all operations are continuing operations.

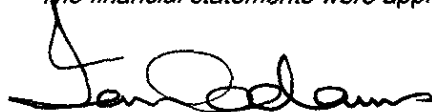
There are no recognised gains and losses other than those passing through the profit and loss account.

JOHN ADAMS (COACH SUPPLIES) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	8	1,012,273		811,679	
Investments	9	55,090		55,090	
		<u>1,067,363</u>		<u>866,769</u>	
Current assets					
Stocks	10	1,158,985	660,590		
Debtors	11	2,193,908	1,385,223		
Cash at bank and in hand		2,384	505,577		
		<u>3,355,277</u>	<u>2,551,390</u>		
Creditors: amounts falling due within one year	12	<u>(2,573,786)</u>	<u>(1,631,521)</u>		
Net current assets		<u>781,491</u>		<u>919,869</u>	
Total assets less current liabilities		<u>1,848,854</u>		<u>1,786,638</u>	
Creditors: amounts falling due after more than one year	13	(553,322)	(559,995)		
Provisions for liabilities and charges	14	<u>(10,536)</u>	<u>(4,192)</u>		
		<u>1,284,996</u>	<u>1,222,451</u>		
Capital and reserves					
Called up share capital	16	8,550	8,550		
Profit and loss account	17	1,276,446	1,213,901		
Shareholders' funds - equity interests	18	<u>1,284,996</u>	<u>1,222,451</u>		

The financial statements were approved by the Board on 25 November 2004



I.R. Adams
Director

JOHN ADAMS (COACH SUPPLIES) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2004

	£	2004 £	£	2003 £
Net cash (outflow)/inflow from operating activities		(662,310)		263,511
Returns on investments and servicing of finance				
Interest received	2,083		6,480	
Interest paid	(31,747)		(115)	
Dividends received	17,850		30,600	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(11,814)		36,965
Taxation		(15,119)		(20,498)
Capital expenditure				
Payments to acquire tangible assets	(385,384)		(589,854)	
Receipts from sales of tangible assets	57,044		10,300	
Net cash outflow for capital expenditure		(328,340)		(579,554)
Equity dividends paid		(34,200)		(34,200)
Net cash outflow before management of liquid resources and financing		(1,051,783)		(333,776)
Financing				
New long term bank loan	-		559,995	
Other new short term loans	-		40,005	
Repayment of long term bank loan	(25,112)		-	
Net cash (outflow)/inflow from financing		(25,112)		600,000
(Decrease)/increase in cash in the year		(1,076,895)		266,224

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2004

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2004		2003	
		£		£	
	Operating profit	133,383		65,145	
	Depreciation of tangible assets	125,593		75,518	
	Loss on disposal of tangible assets	2,153		2,914	
	Increase in stocks	(498,395)		(95,753)	
	Increase in debtors	(808,685)		(220,135)	
	Increase in creditors within one year	383,641		435,822	
	Net cash (outflow)/inflow from operating activities	(662,310)		263,511	
2	Analysis of net debt	1 October 2003	Cash flow	Other non-cash changes	30 September 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	505,577	(503,193)	-	2,384
	Bank overdrafts	(290,324)	(573,702)	-	(864,026)
		<u>215,253</u>	<u>(1,076,895)</u>	<u>-</u>	<u>(861,642)</u>
	Debt:				
	Debts falling due within one year	(40,005)	18,439	-	(21,566)
	Debts falling due after one year	(559,995)	6,673	-	(553,322)
		<u>(600,000)</u>	<u>25,112</u>	<u>-</u>	<u>(574,888)</u>
	Net debt	(384,747)	(1,051,783)	-	(1,436,530)
3	Reconciliation of net cash flow to movement in net debt	2004		2003	
		£		£	
	(Decrease)/increase in cash in the year	(1,076,895)		266,224	
	Cash outflow/(inflow) from decrease/(increase) in debt	25,112		(600,000)	
	Movement in net debt in the year	(1,051,783)		(333,776)	
	Opening net debt	(384,747)		(50,971)	
	Closing net debt	(1,436,530)		(384,747)	

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% Straight line
Computer equipment	25% Reducing Balance
Plant and machinery	25% Reducing Balance
Fixtures, fittings & equipment	10 % Reducing Balance
Motor vehicles	25% Reducing Balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Group accounts

The company is entitled to the exemption under section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

3	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	125,593	75,518
	Loss on disposal of tangible assets	2,153	2,914
	Auditors' remuneration	6,967	6,900
	and after crediting:		
	Profit on foreign exchange transactions	(212)	-
		<u> </u>	<u> </u>
4	Investment income	2004	2003
		£	£
	Income from fixed asset investments	17,850	30,600
		<u> </u>	<u> </u>
5	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	-	115
	On loans repayable after 5 years	31,747	-
		<u> </u>	<u> </u>
		<u>31,747</u>	<u>115</u>

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

6	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	18,480	15,120
	Current tax charge	18,480	15,120
	Deferred tax		
	Deferred tax charge/credit current year	6,344	4,192
		24,824	19,312
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	121,569	102,110
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	23,098	19,401
	Effects of:		
	Expenses not deductible for tax purposes (primarily ineligible depreciation)	5,118	4,799
	Capital allowances in advance of depreciation	(6,344)	(3,266)
	Surplus franked investment income	(3,392)	(5,814)
		(4,618)	(4,281)
	Current tax charge	18,480	15,120
7	Dividends	2004	2003
		£	£
	Ordinary final proposed	34,200	34,200

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

8 Tangible fixed assets

	Land and buildings Freehold	Computer equipment	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2003	658,016	39,822	131,560	101,494	302,787	1,233,679
Additions	63,322	10,757	13,494	14,807	283,004	385,384
Disposals	-	-	-	-	(183,984)	(183,984)
At 30 September 2004	721,338	50,579	145,054	116,301	401,807	1,435,079
Depreciation						
At 1 October 2003	69,451	21,529	98,827	47,376	184,817	422,000
On disposals	-	-	-	-	(124,787)	(124,787)
Charge for the year	14,425	7,268	11,565	6,891	85,444	125,593
At 30 September 2004	83,876	28,797	110,392	54,267	145,474	422,806
Net book value						
At 30 September 2004	637,462	21,782	34,662	62,034	256,333	1,012,273
At 30 September 2003	588,565	18,293	32,733	54,118	117,970	811,679

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2003 & at 30 September 2004	<u>55,090</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
D.W. Marshall & Co. Limited	England & Wales	Ordinary	51
		Redeemable	51

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
D.W. Marshall & Co. Limited	<u>413,600</u>	<u>36,508</u>

10 Stocks

	2004 £	2003 £
Finished goods and goods for resale	<u>1,158,985</u>	<u>660,590</u>

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

11 Debtors	2004 £	2003 £
Trade debtors	2,165,547	1,283,893
Other debtors	145	90,309
Prepayments and accrued income	28,216	11,021
	<u>2,193,908</u>	<u>1,385,223</u>

Included in trade debtors is an amount of £16,291 (2003;£15,833) due from D.W. Marshall & Co Limited, the subsidiary company. Details of trade with this company are disclosed in note 22.

12 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	885,592	330,329
Trade creditors	1,393,349	1,128,200
Corporation tax	18,481	15,120
Other taxes and social security costs	129,786	17,594
Accruals and deferred income	112,378	106,078
Proposed dividend	34,200	34,200
	<u>2,573,786</u>	<u>1,631,521</u>
Debt due in one year or less	<u>21,566</u>	<u>40,005</u>

The bank overdraft is secured in the form of a bond and floating charge over all of the company's assets and by a standard security over its premises at Atlas Industrial Estate in Glasgow and a legal charge over the Industrial Unit at Deane Park in Huddersfield.

Included in trade creditors is an amount of £9,695 (2003;£4,280) due to D.W. Marshall & Co Limited, the subsidiary company. Details of trade with this company are disclosed in note 22.

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

13 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	553,322	559,995
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank Loans	574,888	600,000
	574,888	600,000
Included in current liabilities	(21,566)	(40,005)
	553,322	559,995
Instalments not due within five years	451,966	399,975
Loan maturity analysis		
In more than one year but not more than two years	22,977	40,005
In more than two years but not more than five years	78,349	120,015
In more than five years	451,996	399,975

The loan is secured by a legal charge over the property at Deane Park Estate, Huddersfield.

14 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 October 2003	4,192
Profit and loss account	6,344
Balance at 30 September 2004	10,536

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	10,536	4,192

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

15 Pension costs

Defined contribution

The company operates a defined contribution pension 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.

	2004 £	2003 £
Contributions payable by the company for the year	53,885	42,455

16 Share capital

	2004 £	2003 £
Authorised		
9,000 Ordinary Shares of £1 each	9,000	9,000
Allotted, called up and fully paid		
8,550 Ordinary Shares of £1 each	8,550	8,550

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2003	1,213,901
Retained profit for the year	62,545
Balance at 30 September 2004	1,276,446

18 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	96,745	82,798
Dividends	(34,200)	(34,200)
Net addition to shareholders' funds	62,545	48,598
Opening shareholders' funds	1,222,451	1,173,853
Closing shareholders' funds	1,284,996	1,222,451

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

19 Capital commitments	2004	2003
	£	£

At 30 September 2004 the company had capital commitments as follows:

Authorised but not contracted for	45,000	-
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20 Directors' emoluments	2004	2003
	£	£

Emoluments for qualifying services	290,854	254,626
Company pension contributions to money purchase schemes	40,524	33,952
Pensions to former directors	8,164	7,760
	<u>339,542</u>	<u>296,338</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	73,632	78,260
Company pension contributions to money purchase schemes	29,600	29,600

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004	2003
	Number	Number
Management and administration	15	7
Sales and distribution	17	15
	<u>32</u>	<u>22</u>

Employment costs

	£	£
Wages and salaries	748,639	549,640
Social security costs	89,349	49,350
Other pension costs	62,049	50,215
	<u>900,037</u>	<u>649,205</u>

JOHN ADAMS (COACH SUPPLIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2004

22 Related party transactions

During the year the company entered into sales transactions totalling £148,670 (2003;£108,515) and purchase transactions totalling of £51,129 (2003; £31,227) with D.W. Marshall & Co Limited, its subsidiary company.

All of the above transactions were undertaken at arms length on normal commercial terms.

During the year D.W. Marshall & Co. Limited paid a dividend to John Adams (Coach Suppliers) Limited of £17,850 (2003; £30,600). The balances due to and from D.W. Marshall & Co. Limited are stated in notes 11 and 12.