

Registration number 01112118

A. SMITH GT. BENTLEY LIMITED

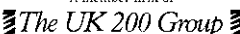
Directors' Report And Financial Statements

For The Year Ended 31 March 2003

Chartered Accountants
Business Advisors

St Martin's House
63 West Stockwell Street
Colchester, Essex CO1 1HE
Tel: 01206 771000
Fax: 01206 771010
Email: info@griffin-chapman.co.uk


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A. SMITH GT. BENTLEY LIMITED

Company information

Directors	A Smith Mrs J Smith I C Smith
Secretary	I C Smith
Company number	01112118
Registered office	Centre Park Frating Colchester CO7 7DL
Auditors	Griffin Chapman St Martins House 63 West Stockwell Street Colchester Essex CO1 1HE
Bankers	Barclays Bank Plc

A. SMITH GT. BENTLEY LIMITED

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A. SMITH GT. BENTLEY LIMITED

Directors' report for the year ended 31 March 2003

The directors present their report and the financial statements for the year ended 31 March 2003.

Principal activity and review of the business

The principal activity of the company was that of coachbuilding and acoustic engineering.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a final dividend.

Freehold Land and Buildings

In the opinion of the directors, the market value of freehold land and buildings is in excess of the amount shown in the accounts, but as the assets are used in the company's business and no disposals are envisaged, the excess is not quantified.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/03/03	01/04/02
A Smith	1	1
Mrs J Smith	1	1
I C Smith	120,952	120,910

In accordance with the Articles of Association, Mrs J Smith retires by rotation and offers herself for re-election.

Charitable and political contributions

During the year the company contributed £3,435 to charities.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Griffin Chapman be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 22.12.2003 and signed on its behalf by

I C Smith
Secretary



A. SMITH GT. BENTLEY LIMITED

Independent auditors' report to the shareholders of A. SMITH GT. BENTLEY LIMITED

We have audited the financial statements of A. SMITH GT. BENTLEY LIMITED for the year ended 31 March 2003 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets 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 directors and auditors

As described in the statement of directors' responsibilities 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 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 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Griffin Chapman
Registered Auditor

23rd December 2003

St Martins House
63 West Stockwell Street
Colchester
Essex
CO1 1HE

A. SMITH GT. BENTLEY LIMITED

Profit and loss account
for the year ended 31 March 2003

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover	2	5,203,153	5,920,692
Cost of sales		(3,488,129)	(4,288,765)
Gross profit		1,715,024	1,631,927
Administrative expenses		(1,107,102)	(937,947)
Operating profit	3	607,922	693,980
Other interest receivable and similar income	4	25,819	29,171
Interest payable and similar charges	5	(22,715)	(35,790)
Profit on ordinary activities before taxation		611,026	687,361
Tax on profit on ordinary activities	8	(160,989)	(190,000)
Retained profit for the year		450,037	497,361
Retained profit brought forward		1,353,065	855,704
Retained profit carried forward		<u>1,803,102</u>	<u>1,353,065</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 14 form an integral part of these financial statements.

A. SMITH GT. BENTLEY LIMITED

Balance sheet
as at 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	9	1,497,518	925,664
Investments		-	84,941
		<u>1,497,518</u>	<u>1,010,605</u>
Current assets			
Stocks	10	788,984	469,838
Debtors	11	850,373	404,728
Cash at bank and in hand		564,749	1,191,419
		<u>2,204,106</u>	<u>2,065,985</u>
Creditors: amounts falling due within one year	12	(1,822,180)	(1,289,796)
Net current assets		<u>381,926</u>	<u>776,189</u>
Total assets less current liabilities		<u>1,879,444</u>	<u>1,786,794</u>
Creditors: amounts falling due after more than one year	13	(14,031)	(386,418)
Provisions for liabilities and charges	14	<u>(40,000)</u>	<u>(25,000)</u>
Net assets		<u><u>1,825,413</u></u>	<u><u>1,375,376</u></u>
Capital and reserves			
Called up share capital	23	6,097	6,097
Share premium account	16	5,249	5,249
Revaluation reserve	16	10,965	10,965
Profit and loss account	16	1,803,102	1,353,065
Equity shareholders' funds	17	<u><u>1,825,413</u></u>	<u><u>1,375,376</u></u>

The financial statements were approved by the Board on 22.12.2003 and signed on its behalf by

I C Smith
Director



The notes on pages 6 to 14 form an integral part of these financial statements.

A. SMITH GT. BENTLEY LIMITED

**Cash flow statement
for the year ended 31 March 2003**

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		607,922	693,980
Depreciation		65,519	48,637
(Increase) in stocks		(319,146)	278,131
(Increase) in debtors		(445,645)	78,738
Increase in creditors		537,348	21,404
Net cash inflow from operating activities		<u>445,998</u>	<u>1,120,890</u>
Cash flow statement			
Net cash inflow from operating activities		445,998	1,120,890
Returns on investments and servicing of finance	21	3,104	(6,619)
Taxation	21	(163,421)	-
Capital expenditure and financial investment	21	(552,432)	(143,635)
		(266,751)	970,636
Financing	21	(405,192)	(28,894)
Decrease in cash in the year		<u>(671,943)</u>	<u>941,742</u>
Reconciliation of net cash flow to movement in net debt			
	22		
Decrease in cash in the year		(671,943)	941,742
Cash inflow from decrease in debts and lease financing		405,192	28,894
Change in net debt resulting from cash flows		(266,751)	970,636
New finance leases and hire purchase contracts		-	-
Movement in net debt in the year		<u>(266,751)</u>	<u>970,636</u>
Net funds at 1 April 2002		769,121	(201,515)
Net funds at 31 March 2003		<u>502,370</u>	<u>769,121</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements for the year ended 31 March 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Freehold land	-	nil
Freehold buildings	-	1% per annum on cost
Plant and machinery	-	15% per annum on reducing balance
Furniture	-	20% per annum on cost
Fixtures and fittings	-	15% per annum on reducing balance
Motor vehicles	-	25% per annum on reducing balance
Computer equipment	-	33.3% per annum on cost

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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

1.5. Investments

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

1.6. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is computed on an average cost basis.

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

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

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements for the year ended 31 March 2003

1.8. Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more tax at a future date, at the average tax rates that are expected to apply when timing difference reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

	2003	2002
Geographical market		
UK	3,912,745	4,734,537
Other E. C. Countries	1,070,964	1,009,012
Rest of the World	219,444	177,143
	<u>5,203,153</u>	<u>5,920,692</u>

3. Operating profit

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	80,351	44,427
Loss on disposal of tangible fixed assets	227	4,210
Profit on disposal of investments	(15,059)	-
Operating lease rentals		
- Plant and machinery	1,741	1,352
Auditors' remuneration	<u>7,500</u>	<u>7,500</u>

4. Interest receivable and similar income

	2003 £	2002 £
Bank interest	25,679	23,261
Other interest	140	-
Rent receivable	-	5,910
	<u>25,819</u>	<u>29,171</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements
for the year ended 31 March 2003

5.	Interest payable and similar charges	2003	2002
		£	£
	On bank loans and overdrafts	18,276	28,842
	On other loans	3,725	5,967
	Hire purchase interest	714	926
	On overdue tax	-	55
		<u>22,715</u>	<u>35,790</u>

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2003	2002
	Number	Number
Production staff	66	68
Office and management	18	18
	<u>84</u>	<u>86</u>

Employment costs

	2003	2002
	£	£
Wages and salaries	2,302,301	2,231,563
Social security costs	234,628	209,434
Other pension costs	86,872	67,624
	<u>2,623,801</u>	<u>2,508,621</u>

6.1. Directors' emoluments

	2003	2002
	£	£
Benefits in kind	17,714	12,097
Remuneration	217,000	173,000
Pension contributions	4,000	4,000
	<u>238,714</u>	<u>189,097</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

7. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £86,872 (2002 - £67,624).

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements for the year ended 31 March 2003

8. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	147,568	165,000
Prior period adjustments	(1,579)	-
	<u>145,989</u>	<u>165,000</u>
Total current tax charge	<u>145,989</u>	<u>165,000</u>
Deferred tax		
Timing differences, origination and reversal	15,000	25,000
Total deferred tax	<u>15,000</u>	<u>25,000</u>
Tax on profit on ordinary activities	<u>160,989</u>	<u>190,000</u>

9. Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation					
At 1 April 2002	729,307	382,712	144,536	166,554	1,423,109
Additions	596,918	52,554	2,955	-	652,427
Disposals	-	(425)	(2,301)	-	(2,726)
At 31 March 2003	<u>1,326,225</u>	<u>434,841</u>	<u>145,190</u>	<u>166,554</u>	<u>2,072,810</u>
Depreciation					
At 1 April 2002	45,846	284,154	126,136	41,309	497,445
On disposals	-	(203)	(2,301)	-	(2,504)
Charge for the year	12,702	33,135	3,203	31,311	80,351
At 31 March 2003	<u>58,548</u>	<u>317,086</u>	<u>127,038</u>	<u>72,620</u>	<u>575,292</u>
Net book values					
At 31 March 2003	<u>1,267,677</u>	<u>117,755</u>	<u>18,152</u>	<u>93,934</u>	<u>1,497,518</u>
At 31 March 2002	<u>683,461</u>	<u>98,558</u>	<u>18,400</u>	<u>125,245</u>	<u>925,664</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements for the year ended 31 March 2003

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2003		2002	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	<u>10,703</u>	<u>1,889</u>	<u>12,592</u>	<u>2,222</u>

The cost of depreciable assets included in land and buildings at 31st March 2003 was £1,270,225 (2002 £673,307)

10.	Stocks	2003 £	2002 £
	Raw materials and consumables	218,352	197,533
	Work in progress	570,632	272,305
		<u>788,984</u>	<u>469,838</u>
11.	Debtors	2003 £	2002 £
	Trade debtors	841,055	389,577
	Other debtors	-	719
	Prepayments and accrued income	9,318	14,432
		<u>850,373</u>	<u>404,728</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements
for the year ended 31 March 2003

12. Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdraft	45,273	-
Bank loan	-	33,016
Payments received on account	727,440	269,377
Net obligations under finance leases and hire purchase contracts	3,075	2,864
Trade creditors	276,072	251,740
Corporation tax	147,568	165,000
Other taxes and social security costs	281,001	265,808
Directors' accounts	56,927	56,927
Other creditors	1,650	667
Accruals and deferred income	283,174	244,397
	<u>1,822,180</u>	<u>1,289,796</u>

Directors' accounts totalling £56,927 are secured by a debenture giving a floating charge over the company's assets.

13. Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loan	-	369,312
Other loan	9,334	9,334
Net obligations under finance leases and hire purchase contracts	4,697	7,772
	<u>14,031</u>	<u>386,418</u>

Loans

Repayable in one year or less, or on demand (Note 12)	-	33,016
Repayable between two and five years	-	167,398
Repayable in five years or more	9,334	211,248
	<u>9,334</u>	<u>411,662</u>

Repayable in five years or more:

Bank loan	-	211,248
Other loan	9,334	-
	<u>9,334</u>	<u>211,248</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements
for the year ended 31 March 2003

14 Provisions for liabilities and charges

	Deferred taxation (Note 15) £	Total £
At 1 April 2002	25,000	25,000
Movements in the year	15,000	15,000
At 31 March 2003	<u>40,000</u>	<u>40,000</u>

15. Provision for deferred taxation

	2003 £	2002 £
Accelerated capital allowances	<u>40,000</u>	<u>25,000</u>
Provision at 1 April 2002	25,000	
Deferred tax charge in profit and loss account	15,000	
Provision at 31 March 2003	<u>40,000</u>	

Deferred taxation is based on a corporation tax rate of 30% (2002 - 30%).

16. Equity Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2002	5,249	10,965	1,353,065	1,369,279
Retained profit for the year			450,037	450,037
At 31 March 2003	<u>5,249</u>	<u>10,965</u>	<u>1,803,102</u>	<u>1,819,316</u>

17. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the year	450,037	497,361
Opening shareholders' funds	1,375,376	878,015
Closing shareholders' funds	<u>1,825,413</u>	<u>1,375,376</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements for the year ended 31 March 2003

18. Related party transactions

Creditors include £56,927 (2000 £56,927) which is owed to Mr A & Mrs J Smith who are directors of the company. Interest is paid on this amount at 3% above Barclays Base rate. The amount paid in the year was £3,964.

19. Transactions with directors

During the year the investment property was sold to a relative of Mr I C Smith for £100,000.

20. Controlling interest

The company is under the control of Mr I C Smith who owns 99.15% of the issued share capital.

21. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	25,819	23,261
Interest paid	(22,715)	(35,790)
Rental income from investment property and other income	-	5,910
	<u>3,104</u>	<u>(6,619)</u>
Taxation		
Corporation tax paid	(165,000)	-
Corporation tax under/over provision	1,579	-
	<u>(163,421)</u>	<u>-</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(652,427)	(157,611)
Receipts from sales of tangible assets	(5)	13,976
Receipts from sales of investments	100,000	-
	<u>(552,432)</u>	<u>(143,635)</u>
Financing		
Repayment of long term bank loan	(402,328)	(24,752)
Capital element of finance leases and hire purchase contracts	(2,864)	(4,142)
	<u>(405,192)</u>	<u>(28,894)</u>

A. SMITH GT. BENTLEY LIMITED

Notes to the financial statements
for the year ended 31 March 2003

22. Analysis of changes in net debt

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,191,419	(626,670)	564,749
Overdrafts	-	(45,273)	(45,273)
	<u>1,191,419</u>	<u>(671,943)</u>	<u>519,476</u>
Debt due within one year	(33,016)	33,016	-
Debt due after one year	(378,646)	369,312	(9,334)
Finance leases and hire purchase contracts	(10,636)	2,864	(7,772)
	<u>(422,298)</u>	<u>405,192</u>	<u>(17,106)</u>
Net debt	<u><u>769,121</u></u>	<u><u>(266,751)</u></u>	<u><u>502,370</u></u>

23. Share capital

	2003 £	2002 £
Authorised equity		
1,000,000 Ordinary shares of 5 pence each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid equity		
121,940 Ordinary shares of 5 pence each	<u>6,097</u>	<u>6,097</u>