

A. SMITH GT. BENTLEY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

Registered number: 01112118



GRIFFIN CHAPMAN
CHARTERED ACCOUNTANTS

Colchester



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A. SMITH GT. BENTLEY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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A. SMITH GT. BENTLEY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 1999

CHAIRMAN	Mr A Smith
OTHER DIRECTORS	Mrs J Smith Mr I C Smith
SECRETARY	Mr I C Smith
REGISTERED OFFICE	Centre Park Frating Colchester CO7 7DL
BANKERS	Barclays Bank Plc
AUDITORS	- Griffin Chapman Chartered Accountants Blackburn House 32a Crouch Street Colchester Essex CO3 3HH

A. SMITH GT. BENTLEY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

The directors present their report and the audited financial statements for the year ended 31st March 1999.

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.

Principal activity

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

Business review

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £898,681.

Results and dividends

The results for the year are shown in the profit and loss account on page 4. The directors do not propose payment of an ordinary dividend.

Freehold land and buildings

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

A. SMITH GT. BENTLEY LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 1999

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:

	31st March 1999 Ordinary shares	1st April 1998 Ordinary shares
Mr A Smith	1	1
Mrs J Smith	1	1
Mr I C Smith	120,826	120,712

In accordance with the Articles of Association, Mr I C Smith retires by rotation and offers himself for re-election.

Charitable and political donations

Payments of a charitable nature made during the year amounted to £705.

Year 2000

The directors, with assistance of the company's computer consultants, have carried out a full and detailed appraisal of the company's systems in relation to the Year 2000 and all remedial action required at this juncture has been undertaken. The directors will continue to monitor the situation and take all necessary steps to address any further problems arising. Future costs will be recognised through the profit and loss account in the period in which they arise.

Auditors

Griffin Chapman have indicated their willingness to accept re-appointment as auditors of the company under Section 385(2) of the Companies Act 1985.

On behalf of the board



Mr I C Smith
Secretary

20 December 1999

Auditors' report to the members of
A Smith Great Bentley Limited

We have audited the financial statements on pages 4 to 16 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 2, 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.

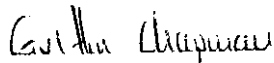
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 error or other irregularity. 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 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Griffin Chapman
Registered Auditors
Chartered Accountants

20 December 1999

A. SMITH GT. BENTLEY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1999

	Note	1999 £	1998 £
Turnover	2	2,934,278	3,150,275
Cost of sales		(2,164,466)	(2,238,689)
Gross profit		769,812	911,586
Net operating expenses			
Administrative expenses		(716,182)	(716,054)
Operating profit	3	53,630	195,532
Interest receivable and other income		11,784	38,741
Interest payable	5	(52,724)	(62,411)
Profit on ordinary activities before taxation		12,690	171,862
Taxation	6	(1,300)	(51,761)
Retained profit for the year	17	11,390	120,101

Movements in reserves are shown in the notes to the financial statements.

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

The company has no recognised gains or losses for the above financial years other than those reflected in the profit and loss account above.

A. SMITH GT. BENTLEY LIMITED

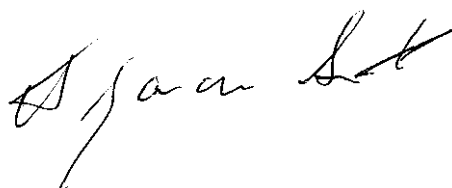
BALANCE SHEET

AS AT 31ST MARCH 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	7		847,502		880,277
Investments	8		84,941		84,941
			<u>932,443</u>		<u>965,218</u>
Current assets					
Stocks	9	1,021,509		594,191	
Debtors	10	313,403		174,380	
Cash at bank and in hand		276,147		332,622	
		<u>1,611,059</u>		<u>1,101,193</u>	
Creditors: amounts falling due within one year		<u>(1,202,080)</u>		<u>(717,331)</u>	
Net current assets			<u>408,979</u>		<u>383,862</u>
Total assets less current liabilities			<u>1,341,422</u>		<u>1,349,080</u>
Creditors: amounts falling due after more than one year	12		<u>(442,741)</u>		<u>(461,789)</u>
Net assets			<u><u>898,681</u></u>		<u><u>887,291</u></u>
Capital and reserves					
Called up share capital	14		6,097		6,097
Share premium account	15		5,249		5,249
Other reserves	16		10,965		10,965
Profit and loss account	17		876,370		864,980
Total shareholders' funds – equity interests	18		<u><u>898,681</u></u>		<u><u>887,291</u></u>

The financial statements on pages 4 to 16 were approved by the board of directors on 10th December 1999 and signed on its behalf by:

Mr A Smith
Chairman



A. SMITH GT. BENTLEY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 1999

	Note	£	1999 £	£	1998 £
Net cash inflow from operating activities	21		113,952		132,630
Returns on investments and servicing of finance					
Interest received		7,581		9,154	
Interest paid		(52,724)		(62,365)	
Interest element of finance lease rental payments		-		(46)	
Other returns		4,203		7,205	
			(40,940)		(46,052)
Taxation					
Corporation tax paid			(51,569)		(10,786)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(13,665)		(78,272)	
Payments to insurance policy endowment funds		-		(6,093)	
Sale of tangible fixed assets		-		4,251	
Sale of fixed asset investments		-		117,253	
			(13,665)		37,139
			7,778		112,931
Financing	22		(19,048)		(115,712)
Decrease in cash			(11,270)		(2,781)

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

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.

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:

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

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 and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out 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.

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.

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

2 Turnover

The turnover for the year was derived from the company's principal activity.

The analysis of turnover by geographical area is as follows:

	1999 £	1998 £
United Kingdom	2,742,706	2,608,667
Other E.C. countries	97,077	538,557
Other	94,495	3,051
	<u>2,934,278</u>	<u>3,150,275</u>

3 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting:		
Profit on sale of assets	-	1,025
and after charging:		
Directors emoluments	129,700	123,150
Auditors' remuneration	6,500	6,000
Operating leases:		
Hire of plant and machinery	887	676
Hire of assets other than plant & machinery	119	224
Depreciation of tangible fixed assets (note 7):		
Owned assets	<u>46,441</u>	<u>50,242</u>

A. SMITH GT. BENTLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

4 Directors and employees

	1999 £	1998 £
Staff costs including directors' emoluments		
Wages and salaries	1,474,226	1,448,108
Social security costs	147,595	143,719
Pension costs	55,060	49,528
	<u>1,676,881</u>	<u>1,641,355</u>

Average monthly number employed including executive directors:

	Number	Number
Production staff	64	65
Office and management	15	15
	<u>79</u>	<u>80</u>

Directors

	£	£
Emoluments	118,550	112,400
Company contributions to money purchase pension schemes	4,000	4,000
Benefits in kind	7,150	6,750
	<u>129,700</u>	<u>123,150</u>

During the year the following number of directors accrued retirement benefits under:

	Number	Number
Money purchase pension schemes	<u>1</u>	<u>1</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 £55,060 (1998 £49,528) including contributions in respect of employees. No contributions were payable to the fund at 31st March 1999.

5 Interest payable

	1999 £	1998 £
Bank loan and overdraft	46,159	54,009
Other loans	6,535	6,478
Other interest	30	1,878
Finance charges payable	-	46
	<u>52,724</u>	<u>62,411</u>

A. SMITH GT. BENTLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

6 Taxation

	1999	1998
	£	£
Corporation tax on ordinary activities at 21% (1998 21%)	1,506	30,000
(Over)/under provision in earlier years	(206)	21,761
	<u>1,300</u>	<u>51,761</u>

The movement on unprovided deferred taxation for the year was as follows:-

	1999	1998
	£	£
Accelerated capital allowances over corresponding depreciation	2,704	4,586
Accrued interest receivable	-	(27)
	<u>2,704</u>	<u>4,559</u>

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

7 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Furniture Fixtures & Fittings £	Land and Buildings £	Total £
1st April 1998	107,803	310,114	136,157	707,694	1,261,768
Additions	5,850	5,054	2,761	-	13,665
31st March 1999	113,653	315,168	138,918	707,694	1,275,433
Depreciation					
1st April 1998	33,109	219,979	108,851	19,551	381,490
Charge for the year	19,039	16,120	4,765	6,517	46,441
31st March 1999	52,148	236,099	113,616	26,068	427,931
Net book amount					
31st March 1999	61,505	79,069	25,302	681,626	847,502
1st April 1998	74,693	90,135	27,306	688,143	880,277

The net book value of land and buildings at 31st March 1999 comprised:-

	1999 £	1998 £
Freehold	681,626	688,143

The cost of depreciable assets included in land and buildings at 31st March 1999 was £651,694 (1998 - £651,694).

The freehold property was valued by Fenn Wright Spurlings, Surveyors, at £620,000 on 19th October 1995. The directors however, believe that the actual market value to be closer to the value shown above.

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

8 Fixed asset investments

		Investments other than loans £
Cost		
31st March 1998 and 31st March 1999		84,941
Net book amount		
31st March 1999		84,941
1st April 1998		84,941
	1999 £	1998 £
Listed investments included above	-	-
Fixed asset investments - cost	84,941	84,941
Fixed asset investments - directors opinion of market value	100,000	85,000

9 Stocks

	1999 £	1998 £
Work in progress	845,894	436,710
Raw materials	175,615	157,481
	1,021,509	594,191

10 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	301,080	165,558
Other debtors	5,534	1,758
Prepayments and accrued income	6,789	7,064
	313,403	174,380

A. SMITH GT. BENTLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

11 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loan and overdraft	83,779	128,984
Payments on account	658,051	120,694
Trade creditors	171,873	208,840
Corporation tax	1,506	53,575
Other taxation and social security	183,035	92,911
Other creditors	56,927	56,927
Accruals and deferred income	46,909	55,400
	<u>1,202,080</u>	<u>717,331</u>

The bank loan is secured by a fixed charge on the freehold property and a debenture giving a floating charge over the company's assets.

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

12 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Bank loan	433,241	452,289
Other loan	9,500	9,500
	<u>442,741</u>	<u>461,789</u>

The bank loan is secured by a fixed charge on the freehold property and a debenture giving a floating charge over the company's assets.

Maturity of debt

In one year or less, or on demand		
- see note 11	19,048	19,048
In more than two years but not more than five years	132,890	101,500
In more than five years	309,851	360,289
	<u>461,789</u>	<u>480,837</u>

Amounts falling due after more than five years:

Bank loan	<u>309,851</u>	<u>360,289</u>
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The bank loan repayment and interest terms were re-negotiated in April 1999. The bank loan is repayable at £13,254.04 per quarter with interest being charged at a rate equal to 2.25% above Barclays Base Rate.

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

13 Deferred taxation

	1999		1998	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	49,031	-	46,327	-
Other timing differences	-	-	-	-
	<u>49,031</u>	<u>-</u>	<u>46,327</u>	<u>-</u>

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

14 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
- Ordinary shares of 5p each	<u>1,000,000</u>	<u>50,000</u>	<u>1,000,000</u>	<u>50,000</u>
Allotted, called up and fully paid				
Equity shares				
- Ordinary shares of 5p each	<u>121,944</u>	<u>6,097</u>	<u>121,944</u>	<u>6,097</u>

15 Share premium account

	1999 £
1st April 1998 and 31st March 1999	<u>5,249</u>

16 Revaluation reserve

	1999 £
1st April 1998 and 31st March 1999	<u>10,965</u>

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

17 Profit and loss account

	1999 £
1st April 1998	864,980
Retained profit for the year	11,390
	<hr/>
31st March 1999	876,370
	<hr/>

18 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	11,390	120,101
	<hr/>	<hr/>
Net addition to shareholders' funds	11,390	120,101
Opening shareholders' funds	887,291	767,190
	<hr/>	<hr/>
Closing shareholders' funds	898,681	887,291
	<hr/>	<hr/>

19 Control relationships

The company is under the control of Mr I C Smith who owns 99.08% of the issued share capital.

20 Transactions with related parties

Other creditors includes the following amount which is owed to individuals who are directors of the company:-
£

Mr A & Mrs J Smith	56,927
	<hr/>

Interest is paid by the company on this loan on an annual basis at 3% above Barclays Bank base rate. The amount paid in the year was £5,608.

21 Notes to the cash flow statement
Reconciliation of operating profits to operating cash flows

	1999 £	1998 £
Operating profit	53,630	195,532
Depreciation charges	46,441	50,242
Profit on sale of fixed assets	-	(1,025)
Increase in stocks	(427,318)	(372,398)
(Increase)/Decrease in Debtors	(139,023)	288,346
Increase/(Decrease) in Creditors	580,222	(28,067)
	<hr/>	<hr/>
Net cash inflow from operating activities	113,952	132,630
	<hr/>	<hr/>

A. SMITH GT. BENTLEY LIMITED
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

22 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	332,622	(56,475)	-	276,147
Bank overdraft	(109,936)	45,205	-	(64,731)
		<u>(11,270)</u>		
Debt due within 1 year	(19,048)	19,048	(19,048)	(19,048)
Debt due after 1 year	(461,789)	-	19,048	(442,741)
		<u>19,048</u>		
Total	<u>(258,151)</u>	<u>7,778</u>	<u>-</u>	<u>(250,373)</u>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Decrease in cash in the year	(11,270)	(2,781)
Cash outflow from decrease in debt and lease financing	19,048	115,712
Change in net debt resulting from cash flows	7,778	112,931
Net debt at 1st April 1998	(258,151)	(371,082)
Net debt at 31st March 1999	<u>(250,373)</u>	<u>(258,151)</u>