

MIKE SAUNDERS MOTORS LTD

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST OCTOBER 1998

W.R.KING & CO
CHARTERED CERTIFIED ACCOUNTANTS



MIKE SAUNDERS MOTORS LTD

DIRECTORS: Mr.M.E.Saunders
Mr.M.Saunders
Mr.V.H.Johnson

SECRETARY: Mr M.E.Saunders

REGISTERED OFFICE: Millands Road
Neath

REGISTERED NUMBER: 01454802

BANKERS: Barclays Bank Plc.
The Parade
Neath

AUDITORS: W.R.King & Co.
Chartered Certified Accountants
44 Victoria Gardens
Neath
West Glamorgan
SA11 3BH

MIKE SAUNDERS MOTORS LTD
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

CONTENTS

- 1,2. Report of the Directors
 - 3. Statement of Directors' Responsibilities
 - 4. Auditors' Report
 - 5. Profit and Loss Account
 - 6. Balance Sheet
 - 7,8,9. Notes to the Accounts
- The following page does not form part of the Statutory Accounts
- Appendix**
- 10. Trading and Profit and Loss Account

MIKE SAUNDERS MOTORS LTD
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST OCTOBER 1998

The directors present their annual report with the accounts of the company for the Year ended 31st October 1998.

PRINCIPAL ACTIVITY

The principal activity during the year was that of car mechanics and sales of second hand cars.

DIRECTORS

The directors in office in the Year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>1998</u>	<u>1997</u>
Mr.M.E.Saunders	99	99
Mr.M.Saunders	1	1
Mr.V.H.Johnson	-	-

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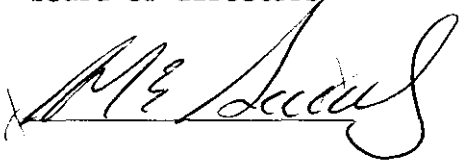
MIKE SAUNDERS MOTORS LTD
REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31ST OCTOBER 1998

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors

A handwritten signature in dark ink, appearing to read 'Mr M. Saunders', is written over a horizontal line.

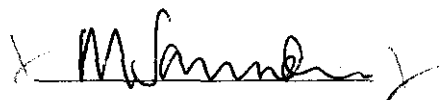
Mr M. Saunders
Secretary

MIKE SAUNDERS MOTORS LTDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial accounts 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 accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial accounts 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 accounts 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.



Mr. M. Saunders
Director
On behalf of the Board

MIKE SAUNDERS MOTORS LTDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
TURNOVER		364,491	320,069
Cost of Sales		304,112	268,868
<u>GROSS PROFIT</u>		60,379	51,201
Net Operating Expenses			
Administrative Expenses		88,698	73,118
Other Operating Income		(6,600)	(21,878)
		82,098	51,240
<u>OPERATING LOSS</u>	2	(21,719)	(39)
		(21,719)	(39)
Income from Investments		20,000	-
<u>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(1,719)	(39)
Tax on Ordinary Activities		-	-
<u>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ (1,719)	£ (39)
<u>STATEMENT OF RETAINED EARNINGS</u>			
Loss Brought Forward		(22,062)	(22,024)
Loss for the Year		(1,719)	(39)
<u>RETAINED LOSS CARRIED FORWARD</u>		£ (23,781)	£ (22,063)

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

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

The notes on pages 7 to 9 form part of these accounts.

AUDITORS' REPORT TO THE SHAREHOLDERS OF
MIKE SAUNDERS MOTORS LTD

We have audited the financial accounts on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

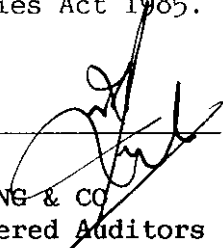
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31st October 1998 and of its loss for the Year then ended and have been properly prepared in accordance with the Companies Act 1985.



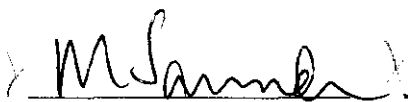
W.R.KING & CO
Registered Auditors
Chartered Certified Accountants
44 Victoria Gardens
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West Glamorgan
SA11 3BH

MIKE SAUNDERS MOTORS LTDBALANCE SHEET
AS AT 31ST OCTOBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
FIXED ASSETS			
Tangible Assets	4	42,292	43,298
CURRENT ASSETS			
Stock and Work in Progress	5	43,941	38,731
Debtors	6	14,356	19,692
		58,297	58,423
CREDITORS : Amounts Falling Due within One Year	7	(124,270)	(123,684)
NET CURRENT LIABILITIES		(65,973)	(65,261)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ (23,681)</u>	<u>£ (21,963)</u>
CAPITAL AND RESERVES			
Share Capital	8	100	100
Profit and Loss Account		(23,781)	(22,063)
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<u>£ (23,681)</u>	<u>£ (21,963)</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



Mr. M. Saunders
Director

Approved by the board:

The notes on pages 7 to 9 form part of these accounts.

MIKE SAUNDERS MOTORS LTDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1998**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention as modified to incorporate the revaluation of certain fixed assets.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and Fittings	20% on reducing balance
-----------------------	-------------------------

No depreciation is provided on freehold land.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2. OPERATING LOSS

The Operating Loss (1997 - Loss) is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Depreciation of Tangible Fixed Assets	1,006	1,257
Auditors' Remuneration	900	900
	<u> </u>	<u> </u>

3. DIRECTORS' REMUNERATION

	<u>1998</u>	<u>1997</u>
	£	£
Directors' Emoluments	17,000	16,430
	<u> </u>	<u> </u>

MIKE SAUNDERS MOTORS LTD

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

4. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery etc £	TOTAL £
COST			
At 1st November 1997	38,268	16,761	55,029
At 31st October 1998	<u>38,268</u>	<u>16,761</u>	<u>55,029</u>
DEPRECIATION			
At 1st November 1997	-	11,731	11,731
Charge for the Year	-	1,006	1,006
At 31st October 1998	<u>-</u>	<u>12,737</u>	<u>12,737</u>
NET BOOK VALUE			
At 31st October 1998	<u>38,268</u>	<u>4,024</u>	<u>42,292</u>
At 31st October 1997	<u>38,268</u>	<u>5,030</u>	<u>43,298</u>

5. STOCKS

	<u>1998</u> £	<u>1997</u> £
Stocks	<u>43,941</u>	<u>38,731</u>

6. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Amounts due within one year:		
Trade Debtors	14,356	13,724
Other Debtors	-	5,968
	<u>14,356</u>	<u>19,692</u>

7. CREDITORS: Amounts Falling Due within One Year

	<u>1998</u> £	<u>1997</u> £
Bank Overdrafts and Loans	41,199	91,436
Trade Creditors	60,538	14,251
Social Security and Other Taxes	5,756	2,057
Other Creditors	16,777	15,940
	<u>124,270</u>	<u>123,684</u>

MIKE SAUNDERS MOTORS LTDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 19988. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised	1000	1000
	<u> </u>	<u> </u>
Allotted, Issued and Fully Paid	100	100
	<u> </u>	<u> </u>