

SMB HIRE LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

Registered No. 1958210



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SMB HIRE LIMITED

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SMB HIRE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: D S Carr Esq (Chairman)
Mrs B V Carr
N W Perry Esq, ACA
A J Barrett Esq
G T H Carroll Esq

SECRETARY: Mrs B V Carr

REGISTERED OFFICE: 85 Meneage Street
Helston
Cornwall

REGISTERED NUMBER: 1958210

AUDITORS: Kitchen and Brown
Alpha House
40 Coinagehall Street
Helston
Cornwall

BANKERS: Lloyds TSB Bank Plc
1 Market Place
Helston
Cornwall

SMB HIRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the financial statements of the company for the year ended 31 December 2001.

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; and
- prepare the financial statements on a 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.

Review of Business

The company has not traded for the year under review.

Future Developments

There are no plans for trading to commence in the foreseeable future.

Results and Dividends

The financial position of the company is shown in the annexed financial statements.

The company's profit for the year, after taxation, amounted to £- (2000: £-).

The directors recommend that no dividend be paid.

Directors

The present directors are as shown on page 1. Apart from A J Barrett Esq who was appointed on 20 November 2001, G T H Carroll who was appointed on 14 January 2002, and C R Spaett Esq who resigned on 31 October 2001 all served on the board throughout the year.

SMB HIRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:


	31 December 2001	1 January 2001
D S Carr Esq (Chairman)		
Beneficial owner - ordinary £1 shares	-	-
Mrs B V Carr		
Beneficial owner - ordinary £1 shares	-	-
N W Perry Esq, ACA		
Beneficial owner - ordinary £1 shares	-	-
A J Barrett Esq (appointed 20.11.01)		
Beneficial owner - ordinary £1 shares	-	-
C R Spaett Esq (resigned 31.10.01)		
Beneficial owner - ordinary £1 shares	-	-

D S Carr Esq and Mrs B V Carr beneficially own 75% of the ordinary share capital of Helston Garages Group Limited, the ultimate holding company, which owns 100% of the ordinary share capital of SMB Hire Limited.

Auditors

The auditors, Kitchen and Brown, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD


MRS B V CARR - SECRETARY

Date: 22/07/02

SMB HIRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SMB HIRE LIMITED

We have audited the financial statements of SMB Hire Limited for the year ended 31 December 2001, which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 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.

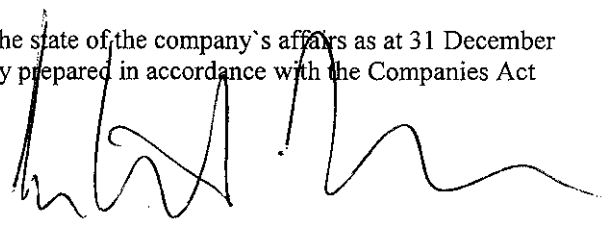
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KITCHEN AND BROWN

Registered Auditors

Date: 23/07/02



REGISTERED AUDITORS &
CHARTERED ACCOUNTANTS
40 COINAGEHALL STREET
HELSTON
CORNWALL

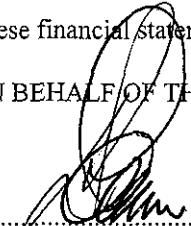
SMB HIRE LIMITED

BALANCE SHEET AT 31 DECEMBER 2001

	Note	2001 £	2000 £
CREDITORS			
Amounts falling due within one year	3	(58,116)	(58,116)
NET CURRENT LIABILITIES		(58,116)	(58,116)
NET LIABILITIES		(58,116)	(58,116)
CAPITAL AND RESERVES			
Called up share capital	4	2	2
Profit and loss account		(58,118)	(58,118)
SHAREHOLDERS' FUNDS	5	(58,116)	(58,116)

These financial statements were approved by the board on 22/07/02.

ON BEHALF OF THE BOARD


D S CARR ESQ (CHAIRMAN) - DIRECTOR

The annexed notes form part of these financial statements.

SMB HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. These policies have remained unchanged from the previous year and have also been consistently applied within the same financial statements.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 December 2001 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 2001 and of the results for the year ended on that date.

2. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge for the year.

3. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2001 £	2000 £
Amounts owed to group companies	58,116	58,116

4. SHARE CAPITAL

	2001 £	2000 £
Authorised		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

SMB HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	-	-
Opening shareholders' funds	(58,116)	(58,116)
Closing shareholders' funds	<u>(58,116)</u>	<u>(58,116)</u>

6. CONTROLLING PARTY

The company is controlled by the directors, D S Carr Esq (Chairman) and Mrs B V Carr, by virtue of their shareholdings in Helston Garages Group Limited, the ultimate holding company, which owns 100% of the ordinary share capital of SMB Hire Limited.