

REGISTRAR
Company No. 2128305

C.V.S. (ANGLIA) LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

31ST MARCH 1997



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COMPANIES HOUSE 16/10/97

MANNING & GIRLING

Chartered Accountants

C.V.S. (ANGLIA) LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st March 1997.

STATEMENT OF 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 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 in the year under review was the supply of commercial vehicle spares and vehicle repairs and hire.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A summary of the results for the year is given on page 4 of the financial statements. The directors consider that the balance sheet, as detailed on page 5, shows a satisfactory position at the year end. There is nothing to report concerning likely future developments in the business of the company.

DIVIDENDS

The directors do not recommend a dividend (1996 - nil).

C.V.S. (ANGLIA) LIMITEDREPORT OF THE DIRECTORS
(continued)

DIRECTORS

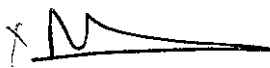
The directors in office in the year and their beneficial interest in the issued ordinary share capital was as follows:-

	<u>31st March 1997</u>	<u>1st April 1996</u>
M Howes	1	1
P Howes	1	1

TANGIBLE FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

By order of the Board


Mrs M Fitton
Secretary

Date: 2 October 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF

C.V.S. (ANGLIA) LIMITED

We have audited the financial statements set out on pages 4 to 11 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the Company's directors are responsible for the preparation of the 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.

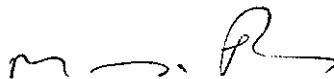
An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting 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 mis-statement, 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 affairs of the Company at 31st March 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MANNING & GIRLING
REGISTERED AUDITORS

14th October 1997

Chartered Accountants
16A Falcon Street,
Ipswich,
Suffolk
IP1 1SL.

C.V.S. (ANGLIA) LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
TURNOVER		466,654	385,956
Cost of sales		318,940	265,980
GROSS PROFIT		147,714	119,976
Establishment expenses		49,409	27,803
Selling expenses		10,149	10,524
Administrative expenses		63,227	58,189
		122,785	96,516
OPERATING PROFIT	2	24,929	23,460
Interest payable	3	20,099	15,183
PROFIT on ordinary activities before taxation		4,830	8,277
TAXATION	4	-	-
PROFIT for the financial year		4,830	8,277
RETAINED PROFIT at 1st April 1996		22,334	14,057
RETAINED PROFIT at 31st March 1997		£ 27,164	£ 22,334

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

During the year there were no recognised gains or losses other than those included in the above profit for the year figure.

CONTINUING OPERATIONS

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

The notes on pages 6 to 11 form part of these financial statements.

C.V.S. (ANGLIA) LIMITEDBALANCE SHEET - 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible assets	5	240,374	174,301
CURRENT ASSETS			
Stock	6	54,281	68,639
Debtors	7	77,107	68,443
Cash at bank and in hand		345	943
		-----	-----
		131,733	138,025
CREDITORS			
Amounts falling due within one year	8	255,272	244,922
		-----	-----
NET CURRENT (LIABILITIES)		(123,539)	(106,897)
TOTAL ASSETS LESS CURRENT LIABILITIES		-----	-----
		116,835	67,404
CREDITORS			
Amounts falling due after more than one year	9	89,571	44,970
		-----	-----
		£ 27,264	£ 22,434
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account		27,164	22,334
		-----	-----
SHAREHOLDERS FUNDS	15	£ 27,264	£ 22,434
		=====	=====

Approved on behalf of the Board by:

 Directors M Howes
 P Howes

2.10.97 Date of approval

The notes on pages 6 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the company are prepared under the historical cost convention.

As at 31st March 1997 the company had net current liabilities of £123,539 and is dependent on the continued financial support of creditors. The directors believe that the company will satisfactorily resolve its current financial position, although inherently there can be no certainty in any consideration of future events.

The financial statements do not include any adjustments that would result if the support of the creditors were to be withdrawn.

(b) Turnover

Turnover represents net invoiced sales, excluding value added tax.

(c) Tangible fixed assets

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

Motor vehicles	-	25% on written down value
-except four wheel drive motor vehicles	-	10% on written down value
Plant & equipment	-	15% on written down value

(d) Hire purchase and leasing

As lessee:

Motor vehicles financed by hire purchase agreements that give rights approximating to ownership are treated as if they had been purchased outright and the corresponding obligations treated as liabilities. The charge to profit and loss account is represented by depreciation, calculated in accordance with the company's policy, and interest. The total interest, being the difference between the total instalments payable and the invoiced cost, is charged to the profit and loss account, so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

As lessor:

Rentals receivable applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are credited to the profit and loss account as invoiced.

(e) Stock

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) Pension costs

The company pension scheme operates on a basis of defined contributions and the charge to the profit and loss therefore reflects the contribution payable in the accounting year.

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997
(continued)

1. ACCOUNTING POLICIES (continued)

(g) Deferred taxation

Provision is made at appropriate rates, under the liability method, for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability will crystallise in the foreseeable future.

2. OPERATING PROFIT

	<u>1997</u>		<u>1996</u>
	£	£	£
This is stated after crediting:			
Operating lease rentals			
-motor vehicles		110,953	92,055
And is stated after charging:			
Depreciation:			
Assets held under hire			
purchase contracts	33,951		37,234
Other tangible assets	24,588		11,200
	-----	58,539	-----
Operating lease rentals			
-equipment		2,811	2,757
-buildings		12,000	7,250
Loss/(profit) on disposal of			
tangible fixed assets		2	(248)
Staff costs:			
Directors remuneration	15,600		15,900
Wages & salaries	84,011		77,011
National insurance	6,698		7,391
Other pension costs	80		-
	-----	106,389	-----
Auditors remuneration		1,000	1,000
		=====	=====

The average weekly number of employees during the year was :-

	<u>1997</u>	<u>1996</u>
Production	7	7
Administration	3	2
Directors	2	2
	-----	-----
	12	11
	=====	=====

3. INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
	£	£
Interest payable on loans and		
overdrafts repayable within five years:		
Hire purchase	17,276	11,902
Bank overdraft	1,231	1,962
Loan interest	1,671	751
Late payment of vat	(79)	568
	-----	-----
	£20,099	£ 15,183
	=====	=====

C.V.S. (ANGLIA) LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997
(continued)

4. TAXATION

There is no charge to corporation tax on the results for the year due to losses incurred. Subject to the approval of H M Inspector of Taxes, there are losses of approximately £2,000 (1996 - £6,100) available to be carried forward and set off against future profits from the same trade.

5. TANGIBLE FIXED ASSETS

	<u>Plant & equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£
Cost			
At 1st April 1996	38,465	283,603	322,068
Additions	3,371	125,095	128,466
Disposals	-	(11,625)	(11,625)
	-----	-----	-----
At 31st March 1997	41,836	397,073	438,909
	-----	-----	-----
Depreciation			
At 1st April 1996	13,696	134,072	147,768
Charge for the year	4,137	54,402	58,539
On disposals	-	(7,772)	(7,772)
	-----	-----	-----
At 31st March 1997	17,833	180,702	198,535
	-----	-----	-----
Written down values			
At 31st March 1997	£24,003	£216,371	£240,374
	=====	=====	=====
At 31st March 1996	£24,770	£149,531	£174,301
	=====	=====	=====

The written down value of motor vehicles at 31st March 1997 includes £145,174 (1996 - £130,479) in respect of assets leased and on hire purchase.

Included in motor vehicles are vehicles leased out under operating leases as follows:

	£
Cost	
At 1st April 1996	205,235
Additions	101,019

At 31st March 1997	306,254

Depreciation	
At 1st April 1996	91,407
Charge for the year	42,880

At 31st March 1997	134,287

Written down values	
At 31st March 1997	£171,967
	=====
At 31st March 1996	£113,828
	=====

C.V.S. (ANGLIA) LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997
(continued)

6. STOCK	<u>1997</u>	<u>1996</u>
	£	£
Goods for resale	49,855	63,875
Work in progress	4,426	4,764
	-----	-----
	£ 54,281	£ 68,639
	=====	=====
7. DEBTORS		
All amounts falling due within one year		
	<u>1997</u>	<u>1996</u>
	£	£
Trade debtors	75,631	58,042
Other debtors	1,476	1,880
Directors current account	-	8,521
	-----	-----
	£ 77,107	£ 68,443
	=====	=====
8. CREDITORS		
Amounts falling due within one year		
	<u>1997</u>	<u>1996</u>
	£	£
Trade creditors	145,372	130,467
Social security and other taxes	25,512	47,318
Hire purchase	49,064	48,324
Directors' current account	2,038	-
Other creditors	4,018	6,019
Loans	8,348	5,348
Accruals	7,757	2,434
Bank overdraft	13,163	5,012
	-----	-----
	£255,272	£244,922
	=====	=====
9. CREDITORS		
Amounts falling due after more than one year		
	<u>1997</u>	<u>1996</u>
	£	£
Hire purchase	83,237	34,788
Loans	6,334	10,182
	-----	-----
	£ 89,571	£ 44,970
	=====	=====

C.V.S. (ANGLIA) LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997
(continued)

10. DEFERRED TAXATION

The amount provided and the total potential liability for deferred taxation were as follows;

	<u>1997</u>		<u>1996</u>	
	Amount Provided £	Potential Liability £	Amount Provided £	Potential Liability £
Accelerated capital allowances	-	7,500	-	8,100
Losses available for future relief	-	2,000	-	6,100
	-----	-----	-----	-----
	£ -	£ 5,500	£ -	£ 2,000
	=====	=====	=====	=====

11. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised, 500,000 ordinary shares of £1 each	£500,000	£500,000
	=====	=====
Allotted, issued and fully paid 100 ordinary shares of £1 each	£ 100	£ 100
	=====	=====

12. HIRE PURCHASE COMMITMENTS

The company has hire purchase arrangements on motor vehicles, the obligations of which are treated in the same manner as finance leases.

The future minimum payments to which the company was committed at 31st March 1997 were as follows:

	<u>1997</u> £	<u>1996</u> £
Payable within:		
One year	64,350	52,590
Two to five years	97,135	41,821
	-----	-----
Minimum payments	161,485	94,411
Amounts representing interest	(29,184)	(11,299)
	-----	-----
	£132,301	£ 83,112
	=====	=====
Summary:		
Amount repayable within one year	49,064	48,324
Amount repayable after more than one year	83,237	34,788
	-----	-----
	£132,301	£ 83,112
	=====	=====

C.V.S. (ANGLIA) LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997
(continued)

13. TRANSACTIONS WITH DIRECTORS

The company's premises are leased from Mr M Howes and Mrs P Howes who are both directors of the company, at a rental of £12,000 per annum.

14. OPERATING LEASES

At 31st March 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	<u>1997</u>		<u>1996</u>	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	£	£	£	£
Operating leases which expire:				
Within two to five years	12,000	2,811	-	2,757
Over five years	-	-	15,000	-
	-----	-----	-----	-----
	£ 12,000	£ 2,811	£ 15,000	£ 2,757
	=====	=====	=====	=====

The finance and operating lease liabilities are subject to the terms of the agreements relating to the relevant land and buildings.

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Profit for the financial year	4,830	8,277
Opening shareholders funds	22,434	14,157
	-----	-----
Closing shareholders funds	£ 27,264	£ 22,434
	=====	=====