

No: 2251848

MOTOR MALL LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2000**



**Richards & Co.
Chartered Accountants & Registered Auditors
Lyminge
Kent**

MOTOR MALL LIMITED

REPORT OF THE AUDITORS

to Motor Mall Limited, under section 247B of the Companies Act 1985.

We have examined the abbreviated accounts on pages 2 to 5 together with the annual accounts of Motor Mall Limited prepared under section 226 of the Companies Act 1985 for the year ended 28 February 2000.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

We conducted our full audit of the company in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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. However, the evidence to us was limited because the company's recorded turnover comprises cash and credit sales and cost of sales including purchases, related costs and adjustment for the value of stock, over which there was no adequate system of control on which we could rely for the purpose of our audit. There was no other satisfactory audit procedure that we could adopt to confirm that turnover, costs of sales including purchases, related costs and adjustments for the value of the stock was properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

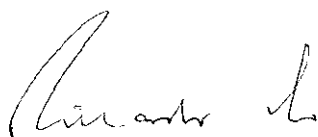
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning turnover, costs of sales including purchases, related costs and adjustment for the value of stock, the financial statements give a true and fair view of the state of the company's affairs as at 28th February 2000 and for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies. In respect of our work relating to turnover, costs of sales including purchases, related costs and adjustments for the value of stock:

- we have not obtained all the information and explanations that we consider necessary for the purpose of the audit; and
- we were unable to determine whether proper accounting records had been maintained.



RICHARDS & CO.
Chartered Accountants and
Registered Auditors
Lyminge
Kent



2001

MOTOR MALL LIMITED

Abbreviated Balance Sheet as at 28 February 2000

		<u>2000</u>		<u>1999</u>	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		721,577		418,003
CURRENT ASSETS					
Stocks & Payment in advance for cars in transit		348,574		275,656	
Debtors		69,494		98,241	
Cash at Bank and In Hand		2,541		1,586	
		<u>420,609</u>		<u>375,483</u>	
CURRENT LIABILITIES					
Creditors - Amounts falling due within one year	4(a)	<u>(537,459)</u>		<u>(226,043)</u>	
NET CURRENT LIABILITIES /ASSETS			(116,850)		149,440
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>604,727</u>		<u>567,443</u>
CREDITORS					
Amounts falling due after more than one year	4(b)	207,936		241,140	
Provision for deferred taxation		-		2,527	
			207,936		243,667
NET ASSETS			<u>£ 396,791</u>		<u>£ 323,776</u>
SHAREHOLDERS' FUNDS					
Profit and Loss Account			(150,792)		7,094
Called Up Share Capital	5		14,545		14,545
Realised Surplus Account	7		242,137		302,137
Unrealised Surplus Account	8		290,901		-
			<u>£ 396,791</u>		<u>£ 323,776</u>

In accordance with section 246 of the Companies Act 1985, in preparing these abbreviated financial statements, we confirm that they are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on.....15 FEB.....2001

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D T Westgarth

MOTOR MALL LIMITED

Notes to the Abbreviated Accounts as at 28 February 2000

1. **ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the Company's financial statements are as follows:

Basis of Accounting

The financial statements are prepared under the historical cost convention, modified to include Freehold Property at professional valuation.

Investment Property

The Director has not provided depreciation in order that the accounts give a true and fair view.

Depreciation

Depreciation is provided on all tangible fixed assets other than the freehold property included in Freehold Land and Buildings property held as an Investment Property, at annual rates calculated to write off the cost of each asset over its expected useful life as follows:-

Freehold Buildings	- 2% on cost
Equipment, Furniture & Fittings	- 15% on net book value
Motor Vehicles	- 25% on net book value

Stock and Work in Progress

Stock and Work in Progress have been valued at the lower of cost or net realisable value.

Leasing and Hire Purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2. **TAXATION**

No Corporation Tax has been provided on the results for the year as there is an adjusted loss for taxation purposes.

No taxation has been provided on the unrealised surplus on the adoption of the professional valuation on Freehold Property as the Directors have not yet decided to sell the property.

MOTOR MALL LIMITED

Notes to the Abbreviated Accounts as at 28 February 2000

3. TANGIBLE FIXED ASSETS

<u>Cost or Valuation</u>	<u>Total</u>
£	£
At 28 February 1999	426,710
Additions	21,673
Arising on revaluation	290,901
At 28 February 2000	<u>739,284</u>
 <u>Depreciation</u>	
At 28 February 1999	8,707
Provided	9,000
At 28 February 2000	<u>17,707</u>
 <u>Net Book Value</u>	
At 28 February 2000	<u>721,577</u>
At 28 February 1999	<u>418,003</u>

Freehold Property at Chartham has been included at professional valuation made on 13th December 1999. This has given rise to an unrealised surplus on land of £290,901. No taxation has been provided on the unrealised surplus (see Taxation note 2).

Depreciation on the freehold buildings has been provided at 2% on cost.

4(a). CREDITORS: Amounts falling due within one year includes:	<u>2000</u>	<u>1999</u>
<i>Borrowings</i>	£	£
Bank Loans & Overdrafts	341,364	101,377
Obligations under Hire Purchase & Finance Leases	7,743	7,170
Mortgage	35,450	35,450
	<u>384,557</u>	<u>143,997</u>

MOTOR MALL LIMITED

Notes to the Abbreviated Accounts as at 28 February 2000

4(b). **CREDITORS:** Amounts falling due outside one year includes:

Wholly repayable within five years

Obligations under Hire Purchase & Finance Leases

Mortgage

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
-	14,913
150,000	150,000
<u>150,000</u>	<u>164,913</u>

Wholly repayable over five years

Mortgage

Long Term Loan from fellow subsidiary

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
20,409	38,700
37,527	37,527
<u>57,936</u>	<u>76,227</u>

Total Borrowings

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
<u>592,493</u>	<u>385,137</u>

Long Term Loan from fellow subsidiary (over five years) has arisen on the transfer of assets from a fellow subsidiary company and the assumption of the liabilities of that company.

5. **SHARE CAPITAL**

Authorised

50,000 Ordinary Shares of £1 each

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
50,000	50,000

Issued and Fully Paid

14,545 Ordinary Shares of £1 each

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
14,545	14,545

6. **COMMITMENTS AND CONTINGENT LIABILITIES**

The Company has entered into a composite cross guarantee in respect of bank overdraft facilities in favour of Canterbury Car Sales Limited.

7. **REALISED SURPLUS ACCOUNT**

Surplus brought forward

Dividend Paid

Surplus carried forward

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
302,137	302,137
(60,000)	-
<u>£ 242,137</u>	<u>£ 302,137</u>

8. **UNREALISED SURPLUS ACCOUNT**

Arising in year on professional revaluation of freehold property

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
290,901	-

9. **ULTIMATE HOLDING COMPANY**

The Parent and Ultimate Holding Company is Motor Mall (Holdings) Limited, incorporated in England.