

**REGISTRAR OF  
COMPANIES**

**Abbey Coachworks Limited**

Report and Financial Statements

Year Ended

31 December 2002



**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **ABBEY COACHWORKS LIMITED**

## **Report and financial statements for the year ended 31 December 2002**

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Directors

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### **Directors**

S Markandu  
S D Lockwood

### **Secretary and registered office**

S Markandu, 430 Strathcona Road, Wembley, Middlesex, HA9 8QD.

### **Company number**

2405125

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

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## **ABBAY COACHWORKS LIMITED**

### **Report of the directors for the year ended 31 December 2002**

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The directors present their report together with the audited financial statements for the year ended 31 December 2002.

#### **Results and dividends**

The profit for the year is set out in the profit and loss account on page 5.

The directors do not recommend a dividend for the year (2001 - £Nil).

#### **Principal activities, trading review and future developments**

The principal activities of the company throughout the year were motor vehicle body repair.

The directors are satisfied with the result for the year and view the future with optimism.

#### **Directors**

The directors of the company during the year were:

J A Jason  
S Markandu  
S D Lockwood

J A Jason resigned as a director after the year end on 7 April 2003.

None of the directors who held office during the year had any disclosable interest in the shares of the company or any rights to subscribe for shares in the company.

The interests of directors in the share capital of the ultimate parent company, Abbey Coachworks (Holdings) Limited are shown in the directors' report of that company.

## ABBEY COACHWORKS LIMITED

### Report of the directors for the year ended 31 December 2002 *(Continued)*

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#### 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

#### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### By order of the Board

S Markandu



Secretary

Date 14th April, 2003.

# ABBAY COACHWORKS LIMITED

## Report of the independent auditors

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### To the shareholders of Abbey Coachworks Limited

We have audited the financial statements of Abbey Coachworks Limited for the year ended 31 December 2002 on pages 5 to 17 which have been prepared under the accounting policies set out on pages 8 and 9.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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.

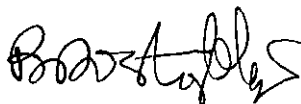
**ABBAY COACHWORKS LIMITED**

**Report of the independent auditors (*Continued*)**

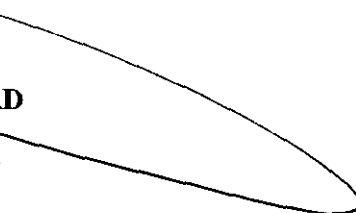
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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD**  
*Chartered Accountants*  
*and Registered Auditors*  
London



14 April 2003

# **ABBAY COACHWORKS LIMITED**

## **Profit and loss account and statement of total recognised gains and losses for the year ended 31 December 2002**

	Note	2002 £	2001 £
Turnover	2	3,426,493	4,182,972
Cost of sales		(2,495,208)	(3,314,113)
<b>Gross profit</b>		<b>931,285</b>	<b>868,859</b>
Administrative expenses		(644,533)	(995,638)
<b>Operating profit/(loss)</b>		<b>286,752</b>	<b>(126,779)</b>
Interest payable	4	(231,488)	(269,400)
Other income	5	100,000	-
<b>Profit/(loss) on ordinary activities before taxation</b>	5	<b>155,264</b>	<b>(396,179)</b>
Taxation	6	(20,000)	16,303
<b>Profit/(loss) for the year</b>	14	<b>135,264</b>	<b>(379,876)</b>

All amounts shown relate to continuing operations.

### **Statement of total recognised gains and losses**

	2002 £	2001 £
Profit/(loss) for the financial year	135,264	(379,876)
Unrealised surplus on revaluation of fixed assets	275,244	894,676
Provision for corporation tax on unrealised surplus in the year	-	(270,000)
<b>Total recognised gains and losses for the year</b>	<b>410,508</b>	<b>244,800</b>

The notes on pages 8 to 17 form part of these financial statements.

# **ABBEY COACHWORKS LIMITED**

## **Balance sheet at 31 December 2002**

	Note	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Tangible assets	7		6,364,650		6,071,826
<b>Current assets</b>					
Stock	8	18,381		26,195	
Debtors	9	519,205		494,158	
Cash at bank and in hand		53,932		929	
		<u>591,518</u>		<u>521,282</u>	
<b>Creditors: amounts falling due within one year</b>	10	1,523,232		1,282,646	
<b>Net current liabilities</b>			<u>(931,714)</u>		<u>(761,364)</u>
<b>Total assets less current liabilities</b>			<u>5,432,936</u>		<u>5,310,462</u>
<b>Creditors: amounts falling due after more than one year</b>	11		2,626,375		2,914,409
<b>Provision for liabilities and charges</b>					
Deferred taxation	12		455,886		455,886
			<u>2,350,675</u>		<u>1,940,167</u>
<b>Capital and reserves</b>					
Called up share capital	13		60		60
Revaluation reserve	14		1,736,151		1,460,907
Profit and loss account	14		614,464		479,200
<b>Shareholders' funds</b>	15		<u>2,350,675</u>		<u>1,940,167</u>

All amounts shown above are attributable to equity interests.

The financial statements were approved by the Board on 14TH APRIL, 2003

S Markandu  
Director

The notes on pages 8 to 17 form part of these financial statements



**ABBEY COACHWORKS LIMITED**

**Cash flow statement for the year ended 31 December 2002**

	Note	2002 £	2002 £	2001 £	2001 £
<b>Net cash inflow from operating activities</b>	18		<b>595,294</b>		<b>622,629</b>
<b>Returns on investments and servicing of finance</b>					
Interest paid		(225,328)		(259,970)	
Interest element of hire purchase payments		(6,160)		(9,430)	
			<b>(231,488)</b>		<b>(269,400)</b>
<b>Taxation</b>					
UK corporation tax paid			-		(1,395)
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(10,960)		(14,761)	
Sale of tangible fixed assets		12,500		85,256	
			<b>1,540</b>		<b>70,495</b>
<b>Cash inflow before use of liquid resources and financing</b>			<b>365,346</b>		<b>422,329</b>
<b>Financing</b>					
Capital element of hire purchase contracts		(45,169)		(59,949)	
Repayment of other loans		(187,449)		(175,553)	
			<b>(232,618)</b>		<b>(235,502)</b>
<b>Increase in cash</b>	19,20		<b>132,728</b>		<b>186,827</b>

The notes on pages 8 to 17 form part of these financial statements.

## ABBEY COACHWORKS LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2002

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#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, subject to the revaluation of certain assets, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

##### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less discounts and value added tax.

##### *Depreciation*

Depreciation is provided to write off the cost less estimated residual value of fixed assets over their expected useful lives. It is provided on cost at the following rates:-

Plant is depreciated over five years to ten years on a straight line basis.

Fixtures, fittings and equipment are depreciated over two to five years on a straight line basis.

Motor vehicles are depreciated down to market valuations.

##### *Revaluation of land and buildings*

Financial Reporting Standard 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this freehold and long leasehold land and buildings are subject to a full valuation every 5 years with an interim valuation carried out in the third year of this cycle.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

##### *Stock and work in progress*

Stock and work in progress is valued at the lower of cost and net realisable value.

##### *Operating leases*

Operating lease payments are charged to the profit and loss account as incurred.

##### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

# ABBEY COACHWORKS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

## 1 Accounting policies (*Continued*)

### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

## 2 Turnover

In the opinion of the directors, all turnover arises in the United Kingdom and relates to the principal activity of the company.

## 3 Employees

The average number of persons employed by the company on a full time basis during the year was as follows:

	2002 Number	2001 Number
Servicing division	31	29
Administration	11	11
	<u>42</u>	<u>40</u>
Staff costs consist of:	£	£
Wages and salaries	892,461	1,131,708
Social security costs	89,767	135,883
	<u>982,228</u>	<u>1,267,591</u>
Directors' emoluments consist of:		
Remuneration	183,579	148,248

# **ABBEY COACHWORKS LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

## **4 Interest payable**

	2002 £	2001 £
Bank overdraft	15,528	25,260
Other loans	209,800	234,710
Hire purchase	6,160	9,430
	<u>231,488</u>	<u>269,400</u>

## **5 Profit/(loss) on ordinary activities before taxation**

	2002 £	2001 £
This is arrived at after charging/(crediting):		
Write off of goodwill	-	80,000
Depreciation	37,460	48,752
Auditors' remuneration - audit services	7,500	8,000
Loss on disposal of fixed assets	-	20,091
Payments made under operating leases - land and buildings	54,375	52,000
Non-refundable option receipt	(100,000)	-
	<u></u>	<u></u>

## **6 Taxation**

	2002 £	2001 £
<i>Current tax</i>		
Tax charge for the year	20,000	-
Adjustment in respect of previous years	-	(16,303)
	<u>20,000</u>	<u>(16,303)</u>

**ABBEY COACHWORKS LIMITED**Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)**6 Taxation (*Continued*)**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit/(loss) on ordinary activities before tax	155,264	(396,179)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2001 – 30%)	46,579	(118,854)
Effects of:		
Expenses not deductible for tax purposes	1,907	902
Capital allowances for year in excess of depreciation	(2,738)	31,228
Tax losses	(15,748)	86,724
Tax rate adjustment	(10,000)	-
Adjustment to tax charge in respect of previous years	-	(16,303)
Current tax charge for year	20,000	(16,303)

Subject to agreement with the Inland Revenue, the company has taxation losses with a gross value of approximately £236,584 (2001 - £289,080) available for offset against future taxable profits.

# **ABBEY COACHWORKS LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

## **7 Tangible assets**

	Freehold properties £	Plant £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>					
At 1 January 2002	5,874,756	157,674	53,322	71,448	6,157,200
Surplus on revaluation	275,244	-	-	-	275,244
Additions	-	4,041	10,364	53,135	67,540
Disposals	-	(2,856)	(28,320)	(20,506)	(51,682)
At 31 December 2002	<b>6,150,000</b>	<b>158,859</b>	<b>35,366</b>	<b>104,077</b>	<b>6,448,302</b>
<i>Depreciation</i>					
At 1 January 2002	-	36,706	32,260	16,408	85,374
Charge for the year	-	11,713	6,901	18,846	37,460
Disposals	-	(2,856)	(28,320)	(8,006)	(39,182)
At 31 December 2002	-	<b>45,563</b>	<b>10,841</b>	<b>27,248</b>	<b>83,652</b>
<i>Net book value</i>					
At 31 December 2002	<b>6,150,000</b>	<b>113,296</b>	<b>24,525</b>	<b>76,829</b>	<b>6,364,650</b>
At 31 December 2001	5,874,756	120,968	21,062	55,040	6,071,826
Analysis of net book value at 31 December 2002					
At cost	-	113,296	24,525	76,829	214,650
At valuation	6,150,000	-	-	-	6,150,000
	<b>6,150,000</b>	<b>113,296</b>	<b>24,525</b>	<b>76,829</b>	<b>6,364,650</b>

At 31 December 1998 the freehold properties were revalued by Robert Irving & Burns, qualified surveyors, to open market value. The original cost of these properties is £3,952,639 (2001 - £3,952,639).

Included within the net book value of fixed assets is an amount of £82,789 (2001 - £63,597) in respect of assets held under hire purchase contracts, of which £21,443 (2001 - £21,955) has been depreciated in the year.

As at 31 December 2002 the company had no contracted capital commitments (2001 - £Nil).

**ABBEY COACHWORKS LIMITED**Notes forming part of the financial statements for the year ended 31 December 2002 *(Continued)***8 Stock**

	2002 £	2001 £
Work in progress	18,381	26,195

In the opinion of the directors, the replacement cost of the stock at 31 December 2002 was not materially different from the amount stated above.

**9 Debtors**

	2002 £	2001 £
Trade debtors	431,997	451,738
Prepayments and accrued income	79,698	28,820
Other debtors	7,510	13,600
	<u>519,205</u>	<u>494,158</u>

All amounts included within debtors fall due for payment within one year.

**10 Creditors: amounts falling due within one year**

	2002 £	2001 £
Bank loans and overdraft	624,615	598,034
Trade creditors	298,721	300,202
Accruals and deferred income	120,926	108,248
Payments received on account	310,000	150,000
Obligations under hire purchase contracts	34,941	29,251
Taxation and social security	114,029	96,911
Corporation tax	20,000	-
	<u>1,523,232</u>	<u>1,282,646</u>

The bank loan and overdraft is secured by a fixed and floating charge over the assets of the company.

# **ABBAY COACHWORKS LIMITED**

**Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)**

## **11 Creditors: amounts falling due after more than one year**

	2002 £	2001 £
Bank loans (secured - see below)	2,576,445	2,870,200
Obligations under hire purchase contracts	49,930	44,209
	<u>2,626,375</u>	<u>2,914,409</u>

Obligations under hire purchase contracts are due as follows:

In one to two years	28,520	24,249
In two to five years	21,410	19,960
	<u>49,930</u>	<u>44,209</u>

The bank loans are repayable as follows:

In one to two years	195,056	159,695
In two to five years	585,168	463,068
In more than five years	1,796,221	2,247,437
	<u>2,576,445</u>	<u>2,870,200</u>

Obligations under hire purchase contracts are repayable monthly or quarterly at varying interest rates and are secured on the asset held.

Interest is payable on the two bank loans at rates varying between 1½% and 2% above the bank's base rate.

The loans are secured by a fixed charge over certain properties of the company.



# **ABBEY COACHWORKS LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

## **12 Provision for liabilities and charges**

	2002 Amount provided £	2002 Amount unprovided £	2001 Amount provided £	2001 Amount unprovided £
<b>Deferred taxation</b>				
Accelerated capital allowances	-	15,136	-	13,914
On revaluation of assets	455,886	-	455,886	-
	<u>455,886</u>	<u>15,136</u>	<u>455,886</u>	<u>13,914</u>

## **13 Called up share capital**

	2002 £	2001 £
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
60 ordinary shares of £1 each	<u>60</u>	<u>60</u>

## **14 Reserves**

	Revaluation reserve £	Profit and loss account £
At 1 January 2002	1,460,907	479,200
Profit for the year	-	135,264
Surplus on revaluation of fixed assets	275,244	-
	<u>1,736,151</u>	<u>614,464</u>
At 31 December 2002		

## ABBEY COACHWORKS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

### 15 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit/(loss) for the year	135,264	(379,876)
Revaluation in the year	275,244	894,676
Corporation tax on revaluation in the year	-	(270,000)
Opening shareholders' funds	1,940,167	1,695,367
	<hr/>	<hr/>
Closing shareholders' funds	2,350,675	1,940,167
	<hr/>	<hr/>

### 16 Ultimate parent company

The ultimate parent company, and parent company of the smallest and largest group of which the company is a member, is Abbey Coachworks (Holdings) Limited, a company registered in England.

### 17 Related party transactions

During the year ended 31 December 2002 the company was recharged expenses at full value of £Nil (2001 - £65,100) by Charles Follett Limited, a company in which Mr J A Jason has an interest. At the year end an amount of £Nil was due to Charles Follett Limited (2001 - £1,771).

### 18 Reconciliation of operating profit/(loss) to cash flows

	2002 £	2001 £
Operating profit/(loss)	286,752	(126,779)
Depreciation and amortisation	37,460	128,752
Decrease in stocks	7,814	29,366
(Increase)/decrease in debtors	(25,047)	929,757
Increase/(decrease) in creditors	288,315	(358,558)
Loss on disposal of fixed assets	-	20,091
	<hr/>	<hr/>
Net cash inflow from operating activities	595,294	622,629
	<hr/>	<hr/>

# **ABBEY COACHWORKS LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2002 *(Continued)*

## **19 Reconciliation of net cash inflow to movement in net debt**

	2002 £	2001 £
Increase in cash in the year	132,728	186,827
Cash outflow from decrease in debt and hire purchase financing	232,618	235,502
	<hr/>	<hr/>
Change in net debt resulting from cash flows	365,346	422,329
New hire purchase agreements	(56,580)	(12,895)
	<hr/>	<hr/>
Movement in net debt in the period	308,766	409,434
Opening net debt	(3,540,765)	(3,950,199)
	<hr/>	<hr/>
Closing net debt	(3,231,999)	(3,540,765)
	<hr/>	<hr/>

## **20 Analysis of net debt**

	At 1 January 2002 £	Cash flow £	Other non-cash changes £	At 31 December 2002 £
Cash in hand and at bank	929	53,003	-	53,932
Overdrafts	(413,034)	79,725	-	(333,309)
	<hr/>	<hr/>	<hr/>	<hr/>
Debt due after 1 year	(412,105)	132,728	-	(279,377)
Debt due within 1 year	(2,870,200)	-	293,755	(2,576,445)
Hire purchase agreements	(185,000)	187,449	(293,755)	(291,306)
	(73,460)	45,169	(56,580)	(84,871)
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,540,765)	365,346	(56,580)	(3,231,999)
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