

WARWICK SHUBROOK LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2003



PKF

WARWICK SHUBROOK LIMITED

COMPANY INFORMATION

Directors W M G Shubrook
Mrs J Easter

Secretary Mrs J Easter

Company Number 2596913

Registered Office Station Road
Great Yarmouth
Norfolk
NR31 0HB

Auditors PKF
141 King Street
Great Yarmouth
Norfolk
NR30 2PQ

PKF

WARWICK SHUBROOK LIMITED

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WARWICK SHUBROOK LIMITED

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2003

The directors submit their report and the financial statements for the year ended 31 December 2003.

Results and dividends

The profit for the year, after taxation, amounted to £272,596 (2002 - £246,732).

The directors recommend a dividend of £100,000 leaving a balance of £172,596 which is transferred to retained reserves.

Principal activity and review of the business

The principal activity of the company during the year was the operation of a motor retailer franchise. The directors are satisfied with the results of the business for the year.

Future developments

The directors intend to develop the activities of the company in accordance with the economic environment over the course of the ensuing year.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	Ordinary £1 shares	
	2003	2002
W M G Shubrook	175,001	175,001
Mrs J Easter	-	-

Charitable contributions

During the year the company made charitable donations of £270 (2002 - £630).

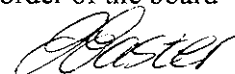
Market value of land and buildings

In the opinion of the directors the market value of the land and buildings is in excess of their cost.

Auditors

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board



Mrs J Easter
Secretary

19/7 2004

WARWICK SHUBROOK LIMITED

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.

The directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WARWICK SHUBROOK LIMITED**

We have audited the financial statements of Warwick Shubrook Limited for the year ended 31 December 2003 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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.

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 judgments 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Great Yarmouth, UK

22 4/5

2004

PKF
Registered Auditors

WARWICK SHUBROOK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
TURNOVER		17,745,729	15,502,513
Cost of sales		(14,244,991)	(12,522,740)
GROSS PROFIT		3,500,738	2,979,773
Administrative expenses		(3,068,857)	(2,644,537)
Other operating income		5,840	4,964
OPERATING PROFIT	2	437,721	340,200
Interest receivable and similar income	5	8,643	10,795
Interest payable and similar charges	6	(72,766)	(53,646)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		373,598	297,349
TAXATION	7	(101,002)	(50,617)
PROFIT FOR THE FINANCIAL YEAR	17	272,596	246,732
DIVIDENDS	17	(100,000)	-
RETAINED PROFIT FOR THE YEAR		172,596	246,732

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

There was no material difference between the reported result and the result calculated on an unmodified historical cost basis.

WARWICK SHUBROOK LIMITED

BALANCE SHEET 31 DECEMBER 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible	8	1,344,864	1,398,413
CURRENT ASSETS			
Stocks	9	1,934,482	1,859,612
Debtors	10	620,511	522,893
Cash at bank and in hand		476,176	704,602
		<u>3,031,169</u>	<u>3,087,107</u>
CREDITORS: amounts falling due within one year	11	<u>(1,830,936)</u>	<u>(1,928,287)</u>
NET CURRENT ASSETS		<u>1,200,233</u>	<u>1,158,820</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,545,097</u>	<u>2,557,233</u>
CREDITORS: amounts falling due after more than one year	12	(213,121)	(407,250)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(31,400)</u>	<u>(22,003)</u>
NET ASSETS		<u><u>2,300,576</u></u>	<u><u>2,127,980</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	175,001	175,001
Capital redemption reserve		497,061	497,061
Profit and loss account	17	1,628,514	1,455,918
SHAREHOLDERS' FUNDS	18	<u><u>2,300,576</u></u>	<u><u>2,127,980</u></u>

The financial statements were approved by the board on

19/7

2004

Signed on behalf of the board of directors

W M G Shubrook

Director

Mrs J Easter

Director

WARWICK SHUBROOK LIMITED

CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2003

	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	437,721	340,200
Depreciation of tangible fixed assets	94,421	76,336
Loss on sale of fixed assets	4,345	-
Increase in debtors	(97,618)	(15,306)
Increase in stocks	(74,870)	(129,387)
Increase/(decrease) in creditors	141,325	(68,890)
Net cash inflow from operating activities	505,324	202,953
CASH FLOW STATEMENT (note 19)		
Net cash inflow from operating activities	505,324	202,953
Returns on investments and servicing of finance	(64,123)	(42,851)
Taxation	(76,969)	(164,126)
Capital expenditure	(38,252)	(247,082)
Acquisitions and disposals	-	(93,000)
Equity dividends paid	(100,000)	-
Financing	(237,896)	(83,560)
Decrease in cash	(11,916)	(427,666)
Reconciliation of net cash flow to movement in net funds (note 20)		
Decrease in cash in the year	(11,916)	(427,666)
Cash outflow from decrease in debt	237,896	83,560
New finance leases and hire purchase agreements	(6,965)	-
Change in net funds	219,015	(344,106)
Net funds at 1 January 2003	13,244	357,350
Net funds at 31 December 2003	232,259	13,244

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2 % straight line
Plant, machinery, fixtures, fittings & office equipment	10-33 % straight line
Motor vehicles	20-25 % straight line

Freehold land is not depreciated. Leasehold land and buildings and assets held on finance leases are depreciated over the lives of the respective leases.

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred. Net realisable value is based on estimated selling price allowing for all further costs of disposal.

In accordance with Financial Reporting Standard No. 5, Reporting the Substance of Transactions, consignment stocks are not recognised on the balance sheet because in substance they are not the assets of the company until an allocation has in principle been made to a customer order.

(f) Deferred taxation

Deferred tax is recognised in respect of all timing differences that give rise to an obligation to pay tax in the future. Deferred tax assets are not recognised where the basis of their recoverability is uncertain. Deferred tax is measured on a non-discounted basis.

(g) Pensions

The company operates two defined contribution pension schemes for directors and employees and the pension charge in the profit and loss account represents the amounts payable by the company to the funds in respect of the year.

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

2 OPERATING PROFIT

The operating profit is stated after charging:

	2003 £	2002 £
Depreciation of tangible fixed assets:		
- owned by the company	94,421	74,092
- held under finance lease or hire purchase contracts	-	2,244
Audit fees	7,000	7,000
Operating lease rentals:		
- plant & machinery	965	2,599
- other	78,592	41,560
Pension cost	8,322	6,983
	<u> </u>	<u> </u>

3 DIRECTORS' EMOLUMENTS AND BENEFITS

	2003 £	2002 £
Directors' emoluments	170,368	202,080
Contributions to money purchase pension schemes	2,800	2,800
	<u> </u>	<u> </u>

The number of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	2	2
	<u> </u>	<u> </u>

The highest paid director received emoluments and benefits as follows:

	2003 £	2002 £
Emoluments and benefits under long term incentive schemes	91,698	124,680
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2003 £	2002 £
Wages and salaries	2,192,661	1,815,156
Social security costs	191,048	150,422
Other pension costs	8,322	6,983
	<u>2,392,031</u>	<u>1,972,561</u>

The average monthly number of employees, including executive directors, during the year was:

	No	No
Sales, repairs and administration	141	122
	<u> </u>	<u> </u>

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Other interest receivable	8,643	10,795

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank loans and overdrafts	13,400	16,202
Other loans	59,366	37,444
	<u>72,766</u>	<u>53,646</u>

7 TAXATION

(a) Analysis of charge in year	2003	2002
	£	£
UK corporation tax		
Current tax on income for the year	89,374	53,643
Adjustments in respect of prior periods	2,231	21,095
Total UK taxation	<u>91,605</u>	<u>74,738</u>
Deferred tax		
Changes in deferred tax balances arising from:		
Origination or reversal of timing differences	9,397	(24,121)
Tax on profit on ordinary activities	<u>101,002</u>	<u>50,617</u>

The tax assessed for the year is lower than would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	373,598	297,349
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2002: 30%)	112,079	89,205
Effects of:		
Expenses not deductible for tax purposes	1,038	7,874
Depreciation in excess of capital allowances / (Capital allowances for period in excess of depreciation)	3,614	(13,464)
Tax charged at small companies rate	(30,632)	(29,972)
Capital gains tax	3,275	-
Adjustments to tax charge in respect of previous periods	2,231	21,095
Current tax charge for the year	<u>91,605</u>	<u>74,738</u>

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

8 TANGIBLE FIXED ASSETS

	Land, buildings & leasehold improvements £	Plant & machinery £	Fixtures, fittings, tools & equipment £	Total £
Cost				
At 1 January 2003	1,312,715	407,189	264,156	1,984,060
Additions	8,600	15,451	21,466	45,517
Disposals	-	(2,000)	(4,295)	(6,295)
At 31 December 2003	<u>1,321,315</u>	<u>420,640</u>	<u>281,327</u>	<u>2,023,282</u>
Depreciation				
At 1 January 2003	123,403	260,696	201,548	585,647
Charge for year	15,834	49,332	29,255	94,421
On disposals	-	(1,650)	-	(1,650)
At 31 December 2003	<u>139,237</u>	<u>308,378</u>	<u>230,803</u>	<u>678,418</u>
Net book amount				
At 31 December 2003	<u>1,182,078</u>	<u>112,262</u>	<u>50,524</u>	<u>1,344,864</u>
At 31 December 2002	<u>1,189,312</u>	<u>146,493</u>	<u>62,608</u>	<u>1,398,413</u>

The net book amount of land and buildings comprises:

	2003 £	2002 £
Freeholds	1,062,284	1,072,614
Long leaseholds	95,200	97,300
Short leaseholds	24,594	19,398
	<u>1,182,078</u>	<u>1,189,312</u>

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2003 £	2002 £
Plant & machinery	-	2,434
Fixtures & fittings etc.	5,107	-
	<u>5,107</u>	<u>2,434</u>

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

9 STOCKS

	2003 £	2002 £
Consignment stocks	101,712	301,397
Work in progress	25,453	26,753
Vehicles and parts for resale	1,807,317	1,531,462
	<u>1,934,482</u>	<u>1,859,612</u>

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principle been made to customer order. All other consignment vehicles are available for allocation to other Vauxhall Retailers.

There were no significant differences between the replacement cost and the values disclosed above.

10 DEBTORS

	2003 £	2002 £
Due within one year		
Trade debtors	419,951	328,313
Other debtors	122,409	91,111
Prepayments & accrued income	78,151	103,469
	<u>620,511</u>	<u>522,893</u>

11 CREDITORS

	2003 £	2002 £
Amounts falling due within one year		
Bank loans and overdrafts (note 13)	29,774	244,713
Trade creditors	1,203,823	1,081,313
Corporation tax	89,374	74,738
Other tax and social security	185,481	175,888
Net obligations under finance lease and hire purchase contracts(note 14)	1,022	2,245
Other creditors	107,352	123,863
Accruals and deferred income	214,110	225,527
	<u>1,830,936</u>	<u>1,928,287</u>

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

12 CREDITORS

	2003 £	2002 £
Amounts falling due after more than one year		
Bank loans (note 13)	210,056	240,179
Net obligations under finance lease and hire purchase contracts(note 14)	3,065	-
Other creditors	-	167,071
	<u>213,121</u>	<u>407,250</u>

Included within creditors falling due after more than one year above are amounts in respect of debts not wholly payable within five years of the balance sheet date as follows:

	2003 £	2002 £
Bank loans	<u>73,660</u>	<u>110,978</u>

13 LOANS

Loans fall due for payment as follows:

	2003 £	2002 £
Bank loans		
Within one year	29,774	28,203
Between one and two years	31,411	29,754
Between two and five years	104,985	99,447
After more than five years	73,660	110,978
	<u>239,830</u>	<u>268,382</u>

The bank loan is secured on the freehold property known as land at Station Road, Great Yarmouth. The loan is repayable by equal monthly instalments until December 2011, with interest accruing at 1.5% above bank base rates.

14 FINANCE LEASES

Net obligations under finance lease and hire purchase agreements fall due as follows:

	2003 £	2002 £
Within one year	1,022	2,245
Between one and five years	3,065	-
	<u>4,087</u>	<u>2,245</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2003	22,003
Charged to profit and loss	9,397
At 31 December 2003	31,400

Deferred tax is analysed as follows:

	2003 £	2002 £
Capital allowances	31,400	22,003

16 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 January 2003 and 31 December 2003			
Ordinary shares of £1 each	659,000	175,001	175,001

17 RESERVES

	£
Profit and loss account	
At 1 January 2003	1,455,918
Profit for the year	272,596
Dividends	(100,000)
At 31 December 2003	1,628,514

18 SHAREHOLDERS' FUNDS

	2003 £	2002 £
Shareholders' funds at 1 January 2003	2,127,980	1,881,248
Profit for the year	272,596	246,732
Dividends	(100,000)	-
Shareholders' funds at 31 December 2003	2,300,576	2,127,980

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

19 GROSS CASH FLOWS

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	8,643	10,795
Interest paid	(72,630)	(52,900)
Interest element of finance lease rentals	(136)	(746)
	<u>(64,123)</u>	<u>(42,851)</u>
Taxation		
Corporation tax paid	<u>(76,969)</u>	<u>(164,126)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(38,552)	(247,082)
Receipts from sales of tangible fixed assets	300	-
	<u>(38,252)</u>	<u>(247,082)</u>
Acquisition of motor franchise	<u>-</u>	<u>(93,000)</u>
Financing		
Net of new loans and loans repaid	(232,773)	(61,220)
Capital element of finance lease rentals	(5,123)	(22,340)
	<u>(237,896)</u>	<u>(83,560)</u>

20 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2003 £	Cash flows £	Other changes £	At 31 December 2003 £
Cash at bank and in hand	704,602	(228,426)	-	476,176
Overdrafts	(216,510)	216,510	-	-
		<u>(11,916)</u>		
Debt due within 1 year	(65,353)	35,579	-	(29,774)
Debt due after 1 year	(407,250)	197,194	-	(210,056)
Finance leases	(2,245)	5,123	(6,965)	(4,087)
Total	<u>13,244</u>	<u>225,980</u>	<u>(6,965)</u>	<u>232,259</u>

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £6,965.

WARWICK SHUBROOK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

21 OTHER COMMITMENTS

At 31 December 2003 the company had annual commitments under operating leases as follows:

	2003	Other 2002
	£	£
Expiry date:		
After more than five years	87,500	54,260

22 PENSION COSTS

The company operates two defined contribution pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension cost charge for the year is shown in note 4.

23 ACQUISITION OF TRADE AND ASSETS

During 2002 the company acquired the trade and assets of another local motor franchise. The assets acquired were as follows : Goodwill £1, Leasehold property £1, Tangible fixed assets £59,998 and parts stock £33,000. The total consideration for the assets acquired was £93,000. There were no fair value adjustments required.

24 CONTROLLING PARTY

The company is controlled by Mr W M G Shubbrook.