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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002
FOR
SPEDEWORTH INTERNATIONAL LTD**



SPEDEWORTH INTERNATIONAL LTD

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FOR THE YEAR ENDED 31ST MARCH 2002**

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SPEDEWORTH INTERNATIONAL LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2002

DIRECTORS: N M Eaton
G R Eaton

SECRETARY: N M Eaton

REGISTERED OFFICE: Highacre Farm
Willis Lane
Four Marks
ALTON
Hampshire
GU34 5AP

REGISTERED NUMBER: 2776039 (England and Wales)

AUDITORS: Kirkpatrick & Hopes
Registered Auditors
Overdene House
49 Church Street
THEALE
Reading
RG7 5BX

SPEDEWORTH INTERNATIONAL LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2002

The directors present their report with the financial statements of the company for the year ended 31st March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of hosting stock car racing events, including associated catering and off sales facilities.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors during the year under review were:

N M Eaton

G R Eaton

The beneficial interests of the directors holding office on 31st March 2002 in the issued share capital of the company were as follows:

	31.3.02	1.4.01
Ordinary £1 shares		
N M Eaton	75	75
G R Eaton	75	75

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 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

The auditors, Kirkpatrick & Hopes, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



N M Eaton - SECRETARY

Dated: 6th October 2003

SPEDEWORTH INTERNATIONAL LTD

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF SPEDEWORTH INTERNATIONAL LTD

We have audited the financial statements of Spedeworth International Ltd for the year ended 31st March 2002 on pages five to eleven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 auditors' 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

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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, 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 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 available to us was limited because £20,133 of the company's recorded trade creditors comprises of unsubstantiated balances, over which there was no system of control on which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm that trade creditors were properly recorded.

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

SPEDEWORTH INTERNATIONAL LTD

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
SPEDEWORTH INTERNATIONAL LTD**

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning trade creditors, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to trade creditors:

we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and in this respect alone we were unable to determine whether proper accounting records had been maintained.



Kirkpatrick & Hopes
Registered Auditors
Overdene House
49 Church Street
THEALE
Reading
RG7 5BX

Dated: 6th October 2003

SPEDEWORTH INTERNATIONAL LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2002**

		2002	2001
	Notes	£	£
TURNOVER		1,653,927	1,448,245
Cost of sales		1,387,338	1,145,991
GROSS PROFIT		266,589	302,254
Administrative expenses		341,687	310,222
		(75,098)	(7,968)
Other operating income		46,908	50,011
OPERATING (LOSS)/PROFIT	2	(28,190)	42,043
Interest receivable and similar income		1,943	1,897
		(26,247)	43,940
Interest payable and similar charges		974	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(27,221)	43,940
Tax on (loss)/profit on ordinary activities	4	(1,246)	3,681
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(25,975)	40,259
Retained profit brought forward		77,972	37,713
RETAINED PROFIT CARRIED FORWARD		£51,997	£77,972

The notes form part of these financial statements

SPEDEWORTH INTERNATIONAL LTD

**BALANCE SHEET
31ST MARCH 2002**

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	5		-		334
Tangible assets	6		64,662		91,212
			<u>64,662</u>		<u>91,546</u>
CURRENT ASSETS:					
Stocks		6,794		6,228	
Debtors	7	84,918		59,576	
Cash at bank and in hand		59,794		34,391	
		<u>151,506</u>		<u>100,195</u>	
CREDITORS: Amounts falling due within one year	8	<u>164,021</u>		<u>113,619</u>	
NET CURRENT LIABILITIES:			<u>(12,515)</u>		<u>(13,424)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£52,147</u></u>		<u><u>£78,122</u></u>
CAPITAL AND RESERVES:					
Called up share capital	11		150		150
Profit and loss account			51,997		77,972
SHAREHOLDERS' FUNDS:			<u><u>£52,147</u></u>		<u><u>£78,122</u></u>

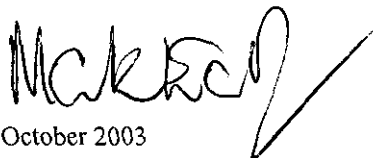
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

G R Eaton - DIRECTOR



N M Eaton - DIRECTOR



Approved by the Board on 6th October 2003

The notes form part of these financial statements

SPEDEWORTH INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are prepared in accordance with applicable accounting standards.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents turnstile takings and offsales from race meetings, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2000, is being written off evenly over its estimated useful life of three years.

Tangible fixed assets

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

Improvements to premises	- Straight line over 3 years and Straight line over 5 years
Safety fencing & equipment	- Straight line over 3 years and Straight line over 8 years
Fixtures and fittings	- Straight line over 3 years
Motor vehicles	- Straight line over 3 years and Straight line over 5 years
Race cars	- Straight line over 5 years

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Cost of sales

Rents charged in the accounts represent the hire of private tracks to hold race meetings and due to its direct relationship with turnover it is considered necessary to treat as a cost of sale.

The company incurs costs maintaining race tracks to a high state of repair for operational and safety reasons.

SPEDEWORTH INTERNATIONAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002**

2. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	36,666	36,253
Loss on disposal of fixed assets	-	667
Goodwill written off	334	333
Auditors' remuneration	6,000	4,500
Pension costs	<u>12,000</u>	<u>12,000</u>
Directors' emoluments and other benefits etc	<u>60,000</u>	<u>80,000</u>

3. EXCEPTIONAL ITEMS

During the year the company acquired a race track and expenditure was incurred on the appearance of it and its associated facilities. The cost of this has been written off to the profit and loss account in accordance with the company's accounting policy.

4. TAXATION

Included in the tax (credit)/charge on the loss on ordinary activities for the year was an amount of £(2,244) (2001 -£NIL) in respect of deferred tax.

5. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1st April 2001	
and 31st March 2002	<u>1,000</u>
AMORTISATION:	
At 1st April 2001	666
Charge for year	<u>334</u>
At 31st March 2002	<u>1,000</u>
NET BOOK VALUE:	
At 31st March 2002	-
At 31st March 2001	<u>334</u>

SPEDEWORTH INTERNATIONAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002**

6. TANGIBLE FIXED ASSETS

	Improvements to premises	Safety fencing & equipment	Fixtures and fittings
	£	£	£
COST:			
At 1st April 2001	10,239	82,618	98,862
Additions	-	-	8,755
At 31st March 2002	10,239	82,618	107,617
DEPRECIATION:			
At 1st April 2001	8,734	75,672	93,950
Charge for year	1,503	2,410	5,954
At 31st March 2002	10,237	78,082	99,904
NET BOOK VALUE:			
At 31st March 2002	2	4,536	7,713
At 31st March 2001	1,505	6,946	4,912

	Motor vehicles	Race cars	Totals
	£	£	£
COST:			
At 1st April 2001	19,980	110,759	322,458
Additions	1,362	-	10,117
At 31st March 2002	21,342	110,759	332,575
DEPRECIATION:			
At 1st April 2001	8,587	44,304	231,247
Charge for year	4,647	22,152	36,666
At 31st March 2002	13,234	66,456	267,913
NET BOOK VALUE:			
At 31st March 2002	8,108	44,303	64,662
At 31st March 2001	11,394	66,455	91,212

SPEDEWORTH INTERNATIONAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002**

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Trade debtors	4,437	3,509
Other debtors	67,337	52,250
Prepayments	8,095	3,817
Corporation tax repayable	2,805	-
Deferred tax asset	2,244	-
	<u>84,918</u>	<u>59,576</u>

Deferred tax asset

	2002	2001
	£	£
Decelerated capital allowances	<u>2,244</u>	<u>-</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Trade creditors	97,323	16,874
Other creditors	-	9,433
Taxes & social security costs	11,606	8,892
Corporation tax	-	3,681
Accruals & deferred income	55,092	74,739
	<u>164,021</u>	<u>113,619</u>

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2002	2001
	£	£
Expiring:		
In more than five years	<u>54,000</u>	<u>25,000</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £
Decelerated capital allowances	<u>(2,244)</u>
Balance at 31st March 2002	<u>(2,244)</u>

SPEDEWORTH INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
			£	£
1,000	Ordinary	£1	1,000	1,000
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
			£	£
150	Ordinary	£1	150	150
			<u> </u>	<u> </u>

12. RELATED PARTY DISCLOSURES

The company is under the control of its two directors who hold 50% each of the share capital issued.

Included in other debtors is £51,000 due from Formula One V8 Hot Rods Limited, a company under the control of the directors (2001: £51,000).

13. POST BALANCE SHEET EVENTS

On 1 January 2003 the directors seperated the trading activities of the company into two regional limited companies from which to trade. Spedeworth International Limited will govern these as their head office and administration centre.

The directors recognise that there were some inadequacies in the accounting records that prevented trade creditors to be verified for 31 March 2002 and have undertaken steps to amend the company's post year end records and procedures in order to address this.