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DALROAD DISTRIBUTION LIMITED

FINANCIAL STATEMENTS

31 MARCH 1998

Registered number: 02860933



MILLER & CO

CHARTERED ACCOUNTANTS

DALROAD DISTRIBUTION LIMITED
FINANCIAL STATEMENTS
for the year ended 31 March 1998

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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DALROAD DISTRIBUTION LIMITED

COMPANY INFORMATION

31 March 1998

INCORPORATED	In England on 11 October 1993
NUMBER	02860933
DIRECTORS	P E Wakelin I D Wakelin J D Thompson I J Kettle
SECRETARY	J D Thompson
REGISTERED OFFICE	86 Princess Street Luton Beds
BANKERS	Barclays Bank Plc George Street Luton Beds
AUDITORS	Miller & Co Chartered Accountants 86 Princess Street Luton

DALROAD DISTRIBUTION LIMITED

DIRECTORS' REPORT

31 March 1998

The directors present their report and the audited financial statements for the year ended 31 March 1998.

Principal activity

The principal activity of the company is the supply of auto electric parts to the automotive industry.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1998 Ordinary shares	1 April 1997 Ordinary shares
P E Wakelin	1,875	1,875
I D Wakelin	1,875	1,875
J D Thompson	500	500
I J Kettle	500	500

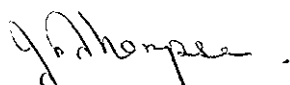
Auditors

Miller & Co have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

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

On behalf of the board



J D Thompson
Secretary

86 Princess Street
Luton
Beds

17th June 1998

DALROAD DISTRIBUTION 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 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.

On behalf of the board



P E Wakelin
Director

17/7/98 June 1998

DALROAD DISTRIBUTION LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Dalroad Distribution Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of 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 misstatement, whether caused by fraud or error or other irregularity. 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 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Miller & Co
Registered Auditors
Chartered Accountants

17 June 1998

DALROAD DISTRIBUTION LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1998

	Note	1998 £	1997 £
Turnover	2	1,513,887	1,524,695
Cost of sales		(849,663)	(988,347)
Gross profit		664,224	536,348
Net operating expenses			
Administrative expenses		(345,319)	(282,086)
Other operating income		18,665	9,396
Operating profit	3	337,570	263,658
Interest payable	5	(198)	(17)
Profit on ordinary activities before taxation		337,372	263,641
Taxation		(94,922)	(76,070)
Profit on ordinary activities after taxation		242,450	187,571
Dividends	6	(50,000)	-
Retained profit for the year	14	192,450	187,571

Movements in reserves are shown in note 14.

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

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

DALROAD DISTRIBUTION LIMITED

BALANCE SHEET

at 31 March 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	7		69,526		40,391
Current assets					
Stocks	8	310,125		232,469	
Debtors	9	373,526		267,396	
Cash at bank and in hand		314,377		237,659	
		998,028		737,524	
Creditors: amounts falling due within one year	10	(338,030)		(254,613)	
Net current assets			659,998		482,911
Total assets less current liabilities			729,524		523,302
Creditors: amounts falling due after more than one year	11		(13,772)		-
			715,752		523,302
Capital and reserves					
Called up share capital	13		5,000		5,000
Profit and loss account	14		710,752		518,302
Total shareholders' funds	12		715,752		523,302

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 11 were approved by the board of directors on 17th June 1998 and signed on its behalf by:



P E Wakelin
Director

NOTES ON FINANCIAL STATEMENTS

31 March 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	20% Straight line
Plant and machinery	20% Straight line
Motor vehicles	25% Reducing balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES ON FINANCIAL STATEMENTS

31 March 1998

2 Turnover

In the opinion of the directors, 18% of the turnover of the company is attributable to geographical markets outside the UK. (1997 8%)

3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Interest receivable	18,665	9,396
and after charging		
Auditors' remuneration	1,700	1,500
Operating leases		
Rent	32,716	1,255
Loss on sale of assets	870	-
Depreciation of tangible fixed assets (note 7)		
owned assets	15,549	7,865
leased assets	6,455	-
	22,004	7,865

4 Directors

	1998 £	1997 £
Directors' emoluments	62,300	11,145
During the year the following number of directors accrued retirement benefits under:	Number	Number
Money purchase pension schemes	1	1

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,300 (1997 £152). Contributions totalling £0 (1997 £0) were payable to the fund at 31 March 1998 and are included in creditors.

5 Interest payable

	1998 £	1997 £
Finance lease and hire purchase contracts	130	-
Other interest payable	68	17
	198	17

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

6 Dividends

	1998 £	1997 £
Paid and proposed	50,000	-

7 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
1 April 1997	12,729	37,048	7,330	57,107
Additions	42,604	13,452	453	56,509
Disposals	(12,729)	-	-	(12,729)
31 March 1998	42,604	50,500	7,783	100,887
Depreciation				
1 April 1997	7,359	7,891	1,466	16,716
Charge for year	10,651	9,796	1,557	22,004
Disposals	(7,359)	-	-	(7,359)
31 March 1998	10,651	17,687	3,023	31,361
Net book amount				
31 March 1998	31,953	32,813	4,760	69,526
1 April 1997	5,370	29,157	5,864	40,391

The net book amount of fixed assets includes £19,365 (1997 £0) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

8 Stocks

	1998 £	1997 £
Stocks	310,125	232,469

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	352,510	258,529
Other debtors	21,016	8,867
	373,526	267,396

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	213,478	156,274
Obligations under finance leases and hire purchase contracts - note 11	7,014	-
Corporation tax	94,922	76,089
Other taxation and social security	18,384	8,251
Other creditors	4,232	13,999
	<u>338,030</u>	<u>254,613</u>

11 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other creditors	13,772	-
	<u>13,772</u>	<u>-</u>

Obligations under finance leases
and hire purchase contracts

Amounts included above are repayable
over varying periods by monthly
instalments as follows:

In the next year	7,014	-
In the second to fifth years	13,772	-
	<u>20,786</u>	<u>-</u>

12 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	242,450	187,571
Dividends	(50,000)	-
Net addition to shareholders' funds	<u>192,450</u>	<u>187,571</u>
Opening shareholders' funds	523,302	335,731
Closing shareholders' funds	<u>715,752</u>	<u>523,302</u>

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1998

13 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	25,000	25,000	25,000	25,000
Allotted called up and fully paid				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

14 Profit and loss account

	1998 £
1 April 1997	518,302
Retained profit for the year	192,450
31 March 1998	710,752

15 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31st March 1999

	1998 Land and Buildings £	1997 Land and Buildings £
Expiring Within two to five years	31,505	36,732
	31,505	36,732

16 Related parties

As detailed in the directors' report the company is controlled by Mr P E Wakelin and Mrs I D Wakelin, who are directors of the company.

The following is a summary of the directors' transactions with the company during the year:

The company paid £20,004 (1997 £50,004) during the year in respect of service charges to Dalroad Limited, a company also controlled by Mr P E Wakelin and Mrs I D Wakelin.

Dividends of £18,750 each were paid to Mr P E Wakelin and Mrs I D Wakelin during the year.