

Company Registration No. 2954341 (England and Wales)

GRENDON GARAGE (CAR SALES) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001



GRENDON GARAGE (CAR SALES) LIMITED

COMPANY INFORMATION

Directors	G C Cox Mrs J R Cox
Secretary	Mrs J R Cox
Company number	2954341
Registered office	Sterling House 19/23 High Street Kidlington Oxon OX5 2DH
Auditors	BKR Haines Watts Sterling House 19/23 High Street Kidlington Oxon OX5 2DH
Business address	Main Street Grendon Underwood Aylesbury, Bucks HP18 0SW
Bankers	National Westminster Bank PLC 12 High Street Windsor Berks SL4 1LQ

GRENDON GARAGE (CAR SALES) LIMITED

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GRENDON GARAGE (CAR SALES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2001

The directors present their report and financial statements for the year ended 30 September 2001.

Principal activities

The principal activity of the company continued to be that of retailer of new and used vehicles.

Directors

The following directors have held office since 1 October 2000:

G C Cox
Mrs J R Cox

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2001	1 October 2000
G C Cox	1	1
Mrs J R Cox	1	1

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that BKR Haines Watts be reappointed as auditors of the company will be put to the Annual General Meeting.

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.

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

By order of the board


.....
G C Cox
Director

14.11.02


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GRENDON GARAGE (CAR SALES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRENDON GARAGE (CAR SALES) LIMITED

We have audited the financial statements of Grendon Garage (Car Sales) Limited on pages 3 to 9 for the year ended 30 September 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the 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 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 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.

Going Concern

In forming our unqualified opinion, we consider that we should draw your attention to the following matter referred to in note 1.7. The company is dependent on financial support from group companies. At the year end the company owed £316,229 to these group companies.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BKR Haines Watts

14.11.02
.....

BKR Haines Watts
Chartered Accountants
Registered Auditor
Sterling House
19/23 High Street
Kidlington
Oxon OX5 2DH

GRENDON GARAGE (CAR SALES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover		812,302	410,939
Cost of sales		(753,686)	(402,342)
Gross profit		58,616	8,597
Administrative expenses		(30,970)	(22,333)
Other operating income		-	15,000
Operating profit	2	27,646	1,264
Write back of provision against Fixed asset investment		84,000	-
Profit on ordinary activities before interest		111,646	1,264
Other interest receivable and similar income		-	213
Interest payable and similar charges		(2,502)	(5,959)
Profit/(loss) on ordinary activities before taxation		109,144	(4,482)
Tax on profit/(loss) on ordinary activities	3	(5,278)	25
Profit/(loss) on ordinary activities after taxation	9	103,866	(4,457)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GRENDON GARAGE (CAR SALES) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		5,181		5,377
Investments	5		225,000		141,000
			<u>230,181</u>		<u>146,377</u>
Current assets					
Stocks		263,588		128,740	
Debtors	6	6,295		3,461	
Cash at bank and in hand		-		24,411	
		<u>269,883</u>		<u>156,612</u>	
Creditors: amounts falling due within one year	7	<u>(432,243)</u>		<u>(339,034)</u>	
Net current liabilities			<u>(162,360)</u>		<u>(182,422)</u>
Total assets less current liabilities			<u>67,821</u>		<u>(36,045)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		67,819		(36,047)
Shareholders' funds - equity interests	10		<u>67,821</u>		<u>(36,045)</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.

The financial statements were approved by the Board on 14.11.2002

.....
G C Cox
Director

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock

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

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 Going Concern

The financial statements have been prepared on a going concern basis. This assumes that Grendon Garage Limited and Icham Limited, connected group companies, continue to financially support the company.

2 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,557	1,619
Auditors' remuneration	2,000	2,000
	<u> </u>	<u> </u>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

3	Taxation	2001	2000
		£	£
	Domestic current year tax		
	U.K. corporation tax	5,100	-
	Adjustment for prior years	178	(25)
		<hr/>	<hr/>
	Current tax charge	5,278	(25)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	109,144	(4,482)
		<hr/>	<hr/>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2000 : 15.00%)	21,829	(672)
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	50	894
	Depreciation	311	243
	Capital allowances	(322)	(254)
	Adjustments to previous periods	178	(25)
	Other tax adjustments	(16,768)	(211)
		<hr/>	<hr/>
		(16,551)	647
		<hr/>	<hr/>
	Current tax charge	5,278	(25)
		<hr/>	<hr/>
4	Tangible fixed assets	Plant and machinery etc	
		£	
	Cost		
	At 1 October 2000		16,194
	Additions		1,361
			<hr/>
	At 30 September 2001		17,555
			<hr/>
	Depreciation		
	At 1 October 2000		10,817
	Charge for the year		1,557
			<hr/>
	At 30 September 2001		12,374
			<hr/>
	Net book value		
	At 30 September 2001		5,181
			<hr/>
	At 30 September 2000		5,377
			<hr/>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 October 2000 & at 30 September 2001	225,000
Provisions for diminution in value	
At 1 October 2000	84,000
Charge for the year	(84,000)
At 30 September 2001	-
Net book value	
At 30 September 2001	225,000
At 30 September 2000	141,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Grendon Garage Limited	England and Wales	Ordinary	25

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Grendon Garage Limited	908,729	(28,951)

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

6 Debtors	2001 £	2000 £
Trade debtors	3,217	205
Other debtors	3,078	3,256
	6,295	3,461

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

7	Creditors: amounts falling due within one year	2001	2000
		£	£
	Bank loans and overdrafts	80,774	-
	Trade creditors	8,520	4,850
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	316,229	311,097
	Taxation and social security	15,581	2,423
	Other creditors	11,139	20,664
		<u>432,243</u>	<u>339,034</u>
8	Share capital	2001	2000
		£	£
	Authorised		
	100 Ordinary shares of £ 1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	2	2
		<u>2</u>	<u>2</u>
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 October 2000		(36,047)
	Retained profit for the year		103,866
	Balance at 30 September 2001		<u>67,819</u>
10	Reconciliation of movements in shareholders' funds	2001	2000
		£	£
	Profit/(Loss) for the financial year	103,866	(4,457)
	Opening shareholders' funds	(36,045)	(31,588)
	Closing shareholders' funds	<u>67,821</u>	<u>(36,045)</u>
11	Contingent liabilities		

The company has entered into an unlimited guarantee in connection with the bank overdrafts of its associated companies. At 30 September 2001 the amount of these overdrafts was £54,297 (2000 - £157,912).

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

12 Control

For the whole year the company was under the control of G C Cox, who is a shareholder and the managing director of the company.

13 Related party transactions

For the whole year the company was under the control of G C Cox, the managing director of the company.

An interest free loan of £6,439 (2000 - £8,922) made to the company by the directors is included in other creditors due within one year.

G C Cox and Mrs J R Cox are directors and shareholders in Grendon Garage Limited and in Brenid Limited, and are directors in Icham Limited.

At 30 September 2001 the company owed £236,717 to Grendon Garage Limited (2000 - £231,585) and £79,512 to Icham Limited (2000 - £79,512), both amounts included in creditors due within one year.

At 30 September 2001 the company owed £5,175 to Grendon Garage Limited (2000 - £2,057) included in trade creditors, and was owed £Nil from Icham Limited (2000 - £167) included in trade debtors.

During the year the company received goods and services from Grendon Garage Limited to the value of £58,542 (2000 - £40,740), provided goods and services to Grendon Garage Limited to the value of £32 (2000 - £17,085) and provided goods and services to Icham Limited to the value of £176 (2000 - £146).

14 Post balance sheet events

The company is subject to group reorganisation which is highly likely to take place after the year end. Assuming that the reorganisation proceeds, the investments figure on the balance sheet which amounts to £225,000 will be written down to nil and the profit & loss account will be charged with this amount.