

Company Registration No. 2954341 (England and Wales)

GRENDON GARAGE (CAR SALES) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002



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COMPANIES HOUSE 05/07/03

GRENDON GARAGE (CAR SALES) LIMITED

COMPANY INFORMATION

Directors	G C Cox Mrs J R Cox
Secretary	S J Bond
Company number	2954341
Registered office	Sterling House 19/23 High Street Kidlington Oxon OX5 2DH
Accountants	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 2002

The directors present their report and financial statements for the year ended 30 September 2002.

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 2001:

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 2002	1 October 2001
G C Cox	1	1
Mrs J R Cox	1	1

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

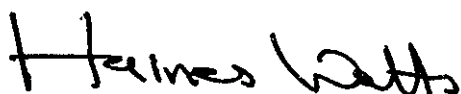

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G C Cox
Director

30.6.2003
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GRENDON GARAGE (CAR SALES) LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF GRENDON GARAGE (CAR SALES) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 September 2002, set out on pages 3 to 12 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Haines Watts

Chartered Accountants

30/6/03

.....
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 2002

	Notes	2002 £	2001 £
Turnover		976,111	812,302
Cost of sales		(925,911)	(753,686)
Gross profit		50,200	58,616
Administrative expenses		(40,631)	(30,970)
Operating profit	2	9,569	27,646
Write back of provision against Fixed asset investment		-	84,000
Profit on ordinary activities before interest		9,569	111,646
Interest payable and similar charges		-	(2,502)
Profit on ordinary activities before taxation		9,569	109,144
Tax on profit on ordinary activities	3	(2,066)	(5,278)
Profit on ordinary activities after taxation	10	7,503	103,866

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 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4	3,992		5,181	
Investments	5	225,000		225,000	
		<u>228,992</u>		<u>230,181</u>	
Current assets					
Stocks		191,557		263,588	
Debtors	6	12,105		6,295	
		<u>203,662</u>		<u>269,883</u>	
Creditors: amounts falling due within one year	7	<u>(357,062)</u>		<u>(432,243)</u>	
Net current liabilities		<u>(153,400)</u>		<u>(162,360)</u>	
Total assets less current liabilities		<u>75,592</u>		<u>67,821</u>	
Provisions for liabilities and charges	8	<u>(268)</u>		<u>-</u>	
		<u>75,324</u>		<u>67,821</u>	
Capital and reserves					
Called up share capital	9	2		2	
Profit and loss account	10	75,322		67,819	
Shareholders' funds - equity interests	11	<u>75,324</u>		<u>67,821</u>	

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

GRENDON GARAGE (CAR SALES) LIMITED

BALANCE SHEET (CONTINUED) AS AT 30 SEPTEMBER 2002

The financial statements were approved by the Board on 30/6/2003


.....
G C Cox
Director

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

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

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

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

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,189	1,557
Auditors' remuneration	-	2,000
	<hr/>	<hr/>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

3	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	1,830	5,100
	Adjustment for prior years	(32)	178
	Current tax charge	1,798	5,278
	Deferred tax		
	Deferred tax charge/credit current year	268	-
		2,066	5,278
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	9,569	109,144
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 18.53% (2001 : 20.00%)	1,773	21,829
	Effects of:		
	Non deductible expenses	-	50
	Depreciation add back	220	311
	Capital allowances	(164)	(322)
	Adjustments to previous periods	(32)	178
	Other tax adjustments	1	(16,768)
		25	(16,551)
	Current tax charge	1,798	5,278

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 October 2001 & at 30 September 2002	17,555
Depreciation	
At 1 October 2001	12,374
Charge for the year	1,189
At 30 September 2002	13,563
Net book value	
At 30 September 2002	3,992
At 30 September 2001	5,181

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 October 2001 & at 30 September 2002	225,000
Provisions for diminution in value	
At 1 October 2001 & at 30 September 2002	-
Net book value	
At 30 September 2002	225,000

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	Shares held Class	%
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 2002 £	Profit for the year 2002 £
Grendon Garage Limited	749,795	(62,995)

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	2002 £	2001 £
Trade debtors	11,635	3,217
Other debtors	470	3,078
	12,105	6,295

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

7	Creditors: amounts falling due within one year	2002 £	2001 £
	Bank loans and overdrafts	2,727	80,774
	Trade creditors	11,756	8,520
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	316,229	316,229
	Taxation and social security	17,323	15,581
	Other creditors	9,027	11,139
		<u>357,062</u>	<u>432,243</u>

8 Provisions for liabilities and charges

	Deferred tax liability £
Profit and loss account	268
Balance at 30 September 2002	<u>268</u>

The deferred tax liability is made up as follows:

	2002 £	2001 £
Accelerated capital allowances	<u>268</u>	<u>-</u>

9 Share capital

	2002 £	2001 £
Authorised		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

10 Statement of movements on profit and loss account

**Profit and
loss
account
£**

Balance at 1 October 2001	67,819
Retained profit for the year	7,503
Balance at 30 September 2002	<u>75,322</u>

11 Reconciliation of movements in shareholders' funds

2002

2001

£

£

Profit for the financial year	7,503	103,866
Opening shareholders' funds	67,821	(36,045)
Closing shareholders' funds	<u>75,324</u>	<u>67,821</u>

12 Contingent liabilities

The company has entered into an unlimited guarantee in connection with the bank overdrafts of its associated companies. At 30 September 2002 the amount of these overdrafts was £2,294 (2001 - £54,297).

13 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.

14 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 (2001 - £6,439) 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 2002 the company owed £236,717 to Grendon Garage Limited (2001 - £236,717) and £79,512 to Icham Limited (2001 - £79,512), both amounts included in creditors due within one year.

At 30 September 2002 the company owed £7,965 to Grendon Garage Limited (2001 - £5,175) included in trade creditors.

During the year the company received goods and services from Grendon Garage Limited to the value of £101,281 (2001 - £58,542), provided goods and services to Grendon Garage Limited to the value of £118 (2001 - £32) and provided goods and services to Icham Limited to the value of £308 (2001 - £176).

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

15 Post balance sheet events

As a result of a reorganisation of the Grendon Garage group of companies which is effective from 31 March 2003, this company's £225,000 investment in Grendon Garage Limited is being reduced to nil in consideration for Mrs Cox gifting her 50% interest in the issued share capital of Grendon Garage (Car Sales) Limited to Mr Cox. The business previously carried on by Grendon Garage Limited is being transferred to a new company which will be wholly owned by Mr Cox.

Clearance under S136 & S139 TCGA 1992 for tax purposes has been sought and received from the Inland Revenue in respect of these transactions.

As a result of the reorganisation £236,717, an intercompany creditor balance due to Grendon Garage Limited at the balance sheet date, will be transferred to a new company, called Sollite Limited, which has taken over the trade of Grendon Garage Limited.