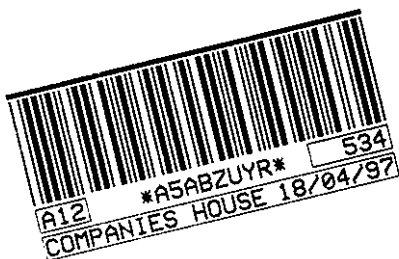


RIVERSEDGE LIMITED

ANNUAL REPORT

Period Ended 31st August 1996

Co. No. 3111667



RIVERSEDGE LIMITED

ANNUAL REPORT

Period Ended 31st August 1996

CONTENTS

Page 1	Company Information
2	Directors Report
3	Reporting Accountants Report
4	Profit and Loss Account
5	Balance Sheet
6-7	Notes to the Accounts

Schedule A:	Management Information: Profit and Loss Account Period Ended 31.8.96
-------------	--

\*\*\*\*\*

RIVERSEDGE LIMITED

COMPANY INFORMATION

DIRECTORS: Mr.N.R.Thompson

Mr.A.Thompson

COMPANY SECRETARY: Mrs.J.M.Thompson

REGISTERED OFFICE: 13 Taylors Lane,  
Buckden,  
Cambs PE18 9TD

REPORTING ACCOUNTANT: R.J.McMorran MA(Oxon),FCCA,ACMA

## RIVERSEDGE LIMITED

### DIRECTORS REPORT For the Period Ended 31st August 1996

The directors present their report and the financial statements for the period ended 31st August 1996.

#### 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.

#### Incorporation

The company was incorporated 9.10.95 and commenced trading in late January 1996.

#### Principal Activity

The company's principal activity is operating as a vehicle repair centre.

#### Directors

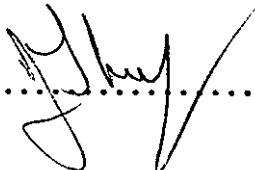
The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:-

	£1 Ordinary Shares	
	At 31.8.96	At 9.10.95
Mr.N.R.Thompson	50	-
Mr.A.Thompson	50	-
RM Nominees Ltd	-	1
resigned 9.10.95		

#### Reporting Accountant

The company's turnover, annualised at over £90000 but below £350000, dictated that a Reporting Accountant is required and Mr.R.J.McMorran FCCA was duly appointed and will be proposed for re-appointment at the Annual General Meeting.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Board on .2.2.97.. and signed on their behalf.

..........Company Secretary 14/4/97

ACCOUNTANT'S REPORT

To the Shareholders on the unaudited accounts of

RIVERSEDGE LIMITED

I report on the accounts for the period ended 31st August 1996 set out on pages 4 to 7.

**Respective Responsibilities of Directors and Reporting Accountants**

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

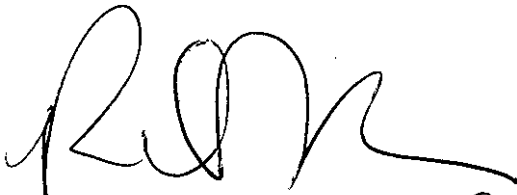
**Basis of Opinion**

My work was conducted in accordance with the Statements of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

**Opinion**

In my opinion:

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act, and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



R.J. McMorran FCCA  
Certified Accountant  
13 Taylors Lane,  
Buckden,  
Cambs PE18 9TD

15497

RIVERSEDGE LIMITED

PROFIT & LOSS ACCOUNT

Period Ended 31st August 1996

	Note	£
Turnover	2	84273
Cost of Sales	3	53021
		<hr/>
Gross Profit		31252
Administrative Expenses	4	30107
		<hr/>
Profit before Interest and Taxation		1145
Interest	5	1171
		<hr/>
		(26)
Taxation	6	11
(Loss) after Interest and Taxation and carried forward		(37)
		<hr/>

There are no recognised gains and losses in the year ended 31st January 1996 other than those in the profit and loss account.

The notes on pages 6-8 form part of these Accounts.

RIVERSEDGE LIMITED

BALANCE SHEET at 31st August 1996

	Note	£	£
<u>Fixed Assets</u>			
Tangible Fixed Assets	7		16236
<u>Goodwill</u>	8		4028
<u>Current Assets</u>			
Stock, WIP	9	1910	
Trade Debtors		1805	
		<hr/>	
		3715	
<u>Creditors: Amounts Payable within one year</u>			
Creditors	10	18916	
<u>Net Current (Liabilities)</u>			(15201)
			<hr/>
			5063
			<hr/>
Represented by:			
<u>Capital &amp; Reserves</u>			
Share Capital	11		100
Profit and Loss Account			(37)
Loans	12		5000
Shareholders Funds	13		<u>5063</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st August 1996 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The accounts were approved by the Board on

...*N.R.*.....N.R.Thompson .....*A.*.....A.Thompson

14/4/97

The notes on pages 6 to 8 form part of these accounts

RIVERSEDGE LIMITED

NOTES TO THE ACCOUNTS: Period Ended 31.8.96

1. ACCOUNTING POLICIES

1.1 Accounting Convention

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below:-

1.2 Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

1.3 Depreciation/Amortisation

Depreciation is calculated to write down the cost of all tangible fixed assets over their expected useful economic lives.

The rates generally applicable are:

Motor Vehicles	25% reducing balance
Plant and Machinery	15% reducing balance
Office Equipment	15% reducing balance
Goodwill	33% reducing balance

1.4 Stock and Work in Progress

Stock and Work in Progress is stated at the lower of cost and net realisable value.

1.5 Deferred Taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that the tax will be payable.

1.6 Goodwill

Goodwill is determined by the amount paid on the acquisition of the business and is written off over its estimated economic life.

2. TURNOVER

See 1.2 above.

3. COST OF SALES

Cost of Sales was made up as follows:-

	£
Purchases in period	37108
Workshop Director Salary, NIC	1236
Workshop wages, NIC	16587
Less Closing Stock, WIP	(1910)
	<hr/>
	53021



/Riversedge Ltd. Notes to the Accounts 31.8.96

4.	<u>ADMINISTRATIVE EXPENSES</u>	£
	Directors Salary	2000
	Wages	950
	Social Security Costs	100
	Reporting Accountants Fee	620
	Depreciation	1716
	Amortisation	972
	Others	23749
		<hr/>
		30107

5.	<u>INTEREST</u>	
	Bank interest	119
	Loan interest	1052
		<hr/>
		1171

6.	<u>TAXATION</u>	
	Corporation tax payable is £11.	

7.	<u>TANGIBLE FIXED ASSETS</u>	Motor Vehs £	Tools Equip £	Office Equip £	Total £
	<u>Cost</u>				
	Additions in Period	1500	14255	2197	17952
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31.8.96	1500	14255	2197	17952
	<u>Depreciation</u>				
	Charge in Period	246	1312	158	1716
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31.8.96	246	1312	158	1716
	<u>WDV</u>				
	At 31.8.96	1254	12943	2039	16236
8.	<u>GOODWILL</u>	£			
	Cost of acquisition	5000			
	Amortisation	972			
		<hr/>			
		4028			

9.	<u>STOCK, WIP</u>	
	Stock and Work in Progress was valued by the Directors at the lower of cost and net realisable value as follows:	
		£
	Stock of parts and tyres	820
	Work in Progress	1090
		<hr/>
		1910

/Riversedge Ltd. Notes to the accounts 31.8.96

10. <u>CREDITORS</u>	£
Trade Creditors	11302
Bank overdraft	2075
PAYE, VAT	2549
Accruals	1007
Directors loan account	1972
Corporation tax payable	11
	<hr/>
	18916

11. <u>SHARE CAPITAL</u>	Authorised	Issued and Fully Paid
£1 Ordinary Shares	1000	100

12. Loan

Loans to the company were made jointly by Director Mr.A.Thompson and Mrs.J.M.Thompson.

13. <u>SHAREHOLDERS FUNDS</u>	Called up Share Capital	Profit & Loss Account	Loans	Total
	£	£	£	£ £
Opening Balance 9.10.95	2	-	-	2
Transfer from Profit and Loss Account		(37)		(37)
Increase in Share Capital	88			88
Introduction of loans			5000	5000
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31.1.96	100	(37)	5000	5063

14. POST BALANCE SHEET EVENTS

No post Balance Sheet Events required recording at the date of signing the Accounts.

15. CONTINGENT LIABILITIES

There were no contingent liabilities at the date of signing the Accounts.

16. CAPITAL COMMITMENTS

There were no capital commitments outstanding at the Balance Sheet date.

RIVERSEDGE LIMITED

Schedule A

Management InformationProfit & Loss AccountPeriod Ended 31st August 1996 (7 months)

	£	£
Sales		84273
Cost of Sales:		
Purchases in Period	37109	
Workshop Directors Salary, NIC	1236	
Workshop Wages, NIC	16587	
Closing Stock, WIP	(1910)	
	<hr/>	53022
Gross Profit		<hr/> 31252
Overheads:		
Directors Salary, NIC	2100	
Admin Wages	950	
Rent, Rates, Insurance	11112	
Heat, Light, Power	1311	
Telephone	546	
Print, Post, Stat, Adverts	2249	
Equipment Hire	2173	
Cleaning, Welfare	1322	
Motor Expenses	2182	
Repairs, Renewals	529	
Accountancy, Legal, Professional	1374	
Miscellaneous	804	
Bank charges	767	
Bank, Loan interest	1171	
Depreciation	1716	
Amortisation	972	
	<hr/>	31278
Net (Loss)		<hr/> (26) <hr/>