

319 1922

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002
FOR
MARSHALL ROEBUCK LIMITED**



MARSHALL ROEBUCK LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditor	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	9
Trading and Profit and Loss Account	18

MARSHALL ROEBUCK LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2002**

DIRECTORS:

Mr B.J. Roff
Mrs G. Roff
Miss Z.A. Martin
Mr. I.J. Robbins
Mr. S.J. Roff

SECRETARY:

Mrs G. Roff

REGISTERED OFFICE:

Oxford Road
Tilehurst
Reading
Berkshire
RG31 6TQ

REGISTERED NUMBER:

3191922

AUDITOR:

Philip Deane
Chartered Certified Accountant
and Registered Auditor
5 Dines Way
Hermitage
Newbury
Berkshire RG18 9TF

ACCOUNTANTS:

David Mitchell and Co.
4 The Pound
Cholsey
Oxon
OX10 9NS

MARSHALL ROEBUCK LIMITED

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

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a franchised motor dealership. This includes the selling of new and used vehicles and servicing of vehicles.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

2002 saw the Motor Industry achieving the highest level ever with a TIV of 2.5 million registrations. Peugeot had increased volumes and stronger market share, finishing No.2 in the UK, second only to Ford. Marshall's again exceeded all previous years measured in the number of new vehicles sold.

These results were in contrast to other markets, which appeared to have been adversely affected by September 11 and the dramatic decline in equities. Perhaps the only other exception was housing.

With interest rates low and product supply high, motor manufacturers stimulated sales with many and various offers. Some of these inevitably effected used car sales, resulting in dropping values for "nearly new" and so on down the price range. Our particular trade also had the review of Block Exemption threatening on the horizon in October.

At Marshall's we had another major decision to make concerning the purchase of Roy Letman's in Newbury. Negotiations had been on-going throughout 2001 and these were finally completed with the help of Peugeot and Lloyds TSB to the satisfaction of all parties. Roy Letman's was purchased in May. The PDI centre on a nearby site was completed, fitted out and staffed in time for the change of registration in September 2002. Vehicle preparation for Reading was transferred from Harvey's at the same time. Over 300 new cars were prepared and delivered that month.

Regrettably volume does not equal profit and the funding of consumer offers, higher targets and the aggressive market place resulted in lower earnings. Additionally one off costs in connection with the acquisition such as legal and professional fees, staff recruitment and training together with extra promotional costs has further reduced the end result.

The issues surrounding Block Exemption have largely been settled. Marshall's have been offered new contracts covering Vehicles, Service and Parts subject to certain requirements that I am confident we will meet. These new contracts will come into effect in October 2002 and will be valid until 2010.

The Reading business continues but the adjacent housing development is underway and when completed will afford some additional parking subject to planning permission.

The Newbury business has been satisfactorily integrated with Reading and now the set-up costs have been met should provide a much improved return in 2003.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2002.

MARSHALL ROEBUCK LIMITED

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

DIRECTORS

The directors during the year under review were:

Mr B.J. Roff
Mrs G. Roff
Miss Z.A. Martin
Mr. I.J. Robbins
Mr. S.J. Roff

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

	31.12.02	1.1.02
Ordinary £1 shares		
Mr B.J. Roff	40,000	41,000
Mrs G. Roff	-	-
Miss Z.A. Martin	5,000	4,500
Mr. I.J. Robbins	5,000	4,500
Mr. S.J. Roff	-	-

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.

AUDITOR

The auditor, Philip Deane, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
Mr B.J. Roff - DIRECTOR

Dated:

29th April 2003

MARSHALL ROEBUCK LIMITED

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF MARSHALL ROEBUCK LIMITED

I have audited the financial statements of Marshall Roebuck Limited for the year ended 31st December 2002 on pages six to seventeen. These financial statements have been prepared 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditor

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

I read the Report of the Directors and consider the implications for my report if I become aware of any apparent misstatements within it.

Basis of audit opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

MARSHALL ROEBUCK LIMITED

**REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF
MARSHALL ROEBUCK LIMITED**

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Philip Deane

Philip Deane
Chartered Certified Accountant
and Registered Auditor
5 Dines Way
Hermitage
Newbury
Berkshire RG18 9TF

Dated: *29th April 2003*

MARSHALL ROEBUCK LIMITED

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

		31.12.02	31.12.01
	Notes	£	£
TURNOVER		18,472,809	12,241,428
Cost of sales		(18,280,974)	(11,776,409)
GROSS PROFIT		191,835	465,019
Administrative expenses		(1,067,229)	(798,315)
		(875,394)	(333,296)
Other operating income		998,840	531,664
OPERATING PROFIT	3	123,446	198,368
Interest receivable and similar income		2,887	7,934
		126,333	206,302
Interest payable and similar charges	4	(94,899)	(53,003)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,434	153,299
Tax on profit on ordinary activities	5	(7,802)	(51,255)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		23,632	102,044
Retained profit brought forward		364,164	262,120
RETAINED PROFIT CARRIED FORWARD		£387,796	£364,164

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

MARSHALL ROEBUCK LIMITED

**BALANCE SHEET
31ST DECEMBER 2002**

		31.12.02	31.12.01
	Notes	£	£
FIXED ASSETS:			
Intangible assets	6	195,000	-
Tangible assets	7	201,046	103,359
Investments	8	12,150	-
		<u>408,196</u>	<u>103,359</u>
CURRENT ASSETS:			
Stocks	9	1,441,960	848,854
Debtors	10	1,416,513	712,435
Cash at bank		48,239	277,998
		<u>2,906,712</u>	<u>1,839,287</u>
CREDITORS: Amounts falling due within one year	11	(2,655,513)	(1,516,361)
NET CURRENT ASSETS:		<u>251,199</u>	<u>322,926</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		659,395	426,285
CREDITORS: Amounts falling due after more than one year	12	(209,060)	-
PROVISIONS FOR LIABILITIES AND CHARGES:	16	(12,539)	(12,121)
		<u>£437,796</u>	<u>£414,164</u>

The notes form part of these financial statements

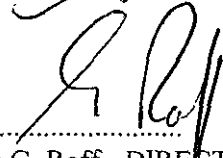
MARSHALL ROEBUCK LIMITED

**BALANCE SHEET
31ST DECEMBER 2002**

		31.12.02	31.12.01
	Notes	£	£
CAPITAL AND RESERVES:			
Called up share capital	17	50,000	50,000
Profit and loss account		387,796	364,164
SHAREHOLDERS' FUNDS:	20	<u>£437,796</u>	<u>£414,164</u>

ON BEHALF OF THE BOARD:


.....
Mr B.J. Roff - DIRECTOR


.....
Mrs G. Roff - DIRECTOR

Approved by the Board on

29th April 2003

The notes form part of these financial statements

MARSHALL ROEBUCK LIMITED

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

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being written off evenly over its estimated useful life of five years.

Tangible fixed assets

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

Service and parts equipment	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- at varying rates on cost
Computer equipment	- 20% on cost

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.

2. STAFF COSTS

	31.12.02	31.12.01
	£	£
Wages and salaries	1,107,314	846,085
Social security costs	137,223	99,446
Other pension costs	26,231	26,379
	<u>1,270,768</u>	<u>971,910</u>

MARSHALL ROEBUCK LIMITED

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

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	31.12.02	31.12.01
Management and administration	13	10
Sales and distribution	33	20
Production	36	14
	<u>—</u>	<u>—</u>
	82	44
	<u>==</u>	<u>==</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.02	31.12.01
	£	£
Hire of plant and machinery	4,912	1,942
Depreciation - owned assets	28,945	20,322
Goodwill written off	30,000	-
Auditor's remuneration	9,000	6,000
	<u>==</u>	<u>==</u>
Directors' emoluments	209,922	293,466
	<u>==</u>	<u>==</u>

Information regarding the highest paid director is as follows:

	31.12.02	31.12.01
	£	£
Emoluments etc	86,071	143,783
	<u>==</u>	<u>==</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.02	31.12.01
	£	£
Bank interest	2,212	6,415
Other interest	92,687	46,588
	<u>==</u>	<u>==</u>
	94,899	53,003
	<u>==</u>	<u>==</u>

MARSHALL ROEBUCK LIMITED

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

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.02	31.12.01
	£	£
Current tax:		
UK corporation tax	7,384	39,134
Deferred tax:		
Deferred taxation	418	12,121
Tax on profit on ordinary activities	<u>7,802</u>	<u>51,255</u>

UK corporation tax has been charged at 19.25% (2001 - 24.60%).

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
Additions	225,000
At 31st December 2002	<u>225,000</u>
AMORTISATION:	
Charge for year	30,000
At 31st December 2002	<u>30,000</u>
NET BOOK VALUE:	
At 31st December 2002	<u>195,000</u>

MARSHALL ROEBUCK LIMITED

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

7. TANGIBLE FIXED ASSETS

	Improvements to property	Service and parts equipment	Fixtures and fittings
	£	£	£
COST:			
At 1st January 2002	-	64,110	46,403
Additions	31,300	82,942	2,818
	<u>31,300</u>	<u>147,052</u>	<u>49,221</u>
At 31st December 2002	31,300	147,052	49,221
DEPRECIATION:			
At 1st January 2002	-	19,705	13,825
Charge for year	2,087	12,190	3,705
	<u>2,087</u>	<u>31,895</u>	<u>17,530</u>
At 31st December 2002	2,087	31,895	17,530
NET BOOK VALUE:			
At 31st December 2002	<u>29,213</u>	<u>115,157</u>	<u>31,691</u>
At 31st December 2001	<u>-</u>	<u>44,405</u>	<u>32,578</u>
	Motor vehicles	Computer equipment	Totals
	£	£	£
COST:			
At 1st January 2002	19,654	62,619	192,786
Additions	500	10,072	127,632
Disposals	(999)	-	(999)
	<u>19,155</u>	<u>72,691</u>	<u>319,419</u>
At 31st December 2002	19,155	72,691	319,419
DEPRECIATION:			
At 1st January 2002	7,328	48,570	89,428
Charge for year	3,157	7,806	28,945
	<u>10,485</u>	<u>56,376</u>	<u>118,373</u>
At 31st December 2002	10,485	56,376	118,373
NET BOOK VALUE:			
At 31st December 2002	<u>8,670</u>	<u>16,315</u>	<u>201,046</u>
At 31st December 2001	<u>12,327</u>	<u>14,049</u>	<u>103,359</u>

MARSHALL ROEBUCK LIMITED

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

8. FIXED ASSET INVESTMENTS

	£
COST:	
Additions	12,150
	<hr/>
At 31st December 2002	12,150
	<hr/>
NET BOOK VALUE:	
At 31st December 2002	12,150
	<hr/> <hr/>

	31.12.02	31.12.01
	£	£
Unlisted investments	12,150	-
	<hr/> <hr/>	<hr/> <hr/>

9. STOCKS

	31.12.02	31.12.01
	£	£
Finished goods	1,441,960	848,854
	<hr/> <hr/>	<hr/> <hr/>

Used vehicle stock is written down to the value shown within Glasses Guide at the end of each month.

Demonstration stock is written down by 2% - 3.33% at the end of each month.

Rental vehicle stock is written down by 3% - 5% at the end of each month.

Parts stock over one year old at the balance sheet date is written down by 25%. A further 25% of the original cost is written off for each additional year it is not sold.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.02	31.12.01
	£	£
Trade debtors	573,300	350,889
Other debtors	563,184	118,470
Prepayments & accrued income	280,029	243,076
	<hr/> <hr/>	<hr/> <hr/>
	1,416,513	712,435
	<hr/> <hr/>	<hr/> <hr/>

MARSHALL ROEBUCK LIMITED

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

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

	31.12.02 £	31.12.01 £
Bank loans and overdrafts (see note 13)	408,875	-
Trade creditors	918,427	415,779
Directors current accounts	296,562	233,193
Other creditors	792,661	676,942
Social security & other taxes	51,771	85,246
Taxation	7,384	39,134
Accrued expenses	179,833	66,067
	<u>2,655,513</u>	<u>1,516,361</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.02 £	31.12.01 £
Bank loans (see note 13)	<u>209,060</u>	<u>-</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.02 £	31.12.01 £
Amounts falling due within one year or on demand:		
Bank overdrafts	348,875	-
Bank loans	60,000	-
	<u>408,875</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>209,060</u>	<u>-</u>

MARSHALL ROEBUCK LIMITED

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

14. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	Operating leases			
	Land and buildings		Other	
	31.12.02 £	31.12.01 £	31.12.02 £	31.12.01 £
Expiring:				
Within one year	-	-	13,456	2,643
Between one and five years	-	-	6,547	-
In more than five years	226,000	54,400	-	-
	<u>226,000</u>	<u>54,400</u>	<u>20,003</u>	<u>2,643</u>

15. SECURED DEBTS

The company's wholesaler has the following security:-

- a floating charge over the undertaking and all its property and assets, both present and future;
- a floating charge over all stocks of used motor vehicles both present and future, and
- a fixed charge over the benefit of all present and future insurance policies.

The bank has a mortgage debenture dated 8th May 2002. The debenture is unlimited and covers all assets of the company.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.02 £	31.12.01 £
Deferred taxation	<u>12,539</u>	<u>12,121</u>
	Deferred tax	
	£	
Balance at 1st January 2002	12,121	
Increased potential liability	418	
Balance at 31st December 2002	<u>12,539</u>	

MARSHALL ROEBUCK LIMITED

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

17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.02	31.12.01
		£1	£	£
250,000	Ordinary		<u>250,000</u>	<u>250,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.02	31.12.01
		£1	£	£
50,000	Ordinary		<u>50,000</u>	<u>50,000</u>

18. CONTINGENT LIABILITIES

There were contingent liabilities at the year end in respect of guarantees and warranties given in the normal course of trade.

19. RELATED PARTY DISCLOSURES

Mr. B.J. Roff, Mr S.J. Roff and Mrs. G.J. Roff, who are directors of the company, are directors of Amstey Investments Limited, a company registered within the United Kingdom. They are also trustees of Marshall Roebuck Retirement Benefit Scheme.

During the year the company paid rent to Amstey Investments Limited totalling £167,833 (2001: £50,000). No rent was owing to Amstey Investments at the year end (2001: £NIL).

A payment of £39,650 was made to the Marshall Roebuck Retirement Benefit Scheme during the year in order to pay the outstanding loan. No further loans were advanced and the balance at 31st December 2002 was £NIL (2001: £37,275).

Mr B.J. Roff is also a director of Harvey Coachworks Limited, a company registered within the United Kingdom. During the year sales to Harvey Coachworks Limited amounted to £79,085 (2001: £96,674) and purchases from Harvey Coachworks Limited were £267,967 (2001: £105,565). The year end debtor was £15,347 (2001: £11,906) and the creditor was £14,825 (2001: £15,279).

The company received management charges from Harvey Coachworks Limited amounting to £19,992 (2001: £30,192). This amount is included within other operating income. At the balance sheet date, £10,200 was outstanding and included within other debtors (2001: £10,200).

MARSHALL ROEBUCK LIMITED

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

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.02	31.12.01
	£	£
Profit for the financial year	23,632	102,044
Net addition to shareholders' funds	23,632	102,044
Opening shareholders' funds	414,164	312,120
Closing shareholders' funds	437,796	414,164
 Equity interests	437,796	414,164