

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003
FOR
MARSHALL ROEBUCK LIMITED**



MARSHALL ROEBUCK LIMITED

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MARSHALL ROEBUCK LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2003**

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:

P. Deane F.C.C.A.
Chartered Certified Accountant and
Registered Auditor
Christmas Cottage, Silver Street North,
Chacombe
Northamptonshire
OX17 2JS

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 2003

The directors present their report with the financial statements of the company for the year ended 31st December 2003.

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.

The total market volume (TIV) exceeded all expectations to finish at an all-time record just short of 2.6m. new vehicles registered in 2003.

Retail sales was the winner driven by strategic consumer offers that were the feature of the market place throughout the whole of the period.

This had the effect of not only creating a buoyant new car market but an adverse effect on nearly new cars as potential customers opted for new. In turn this pushed residuals down as well as reducing overall demand for used cars.

At Reading and Newbury we noticed this and took the appropriate action to maintain our unit volumes at target levels. Peugeot's market fell in a rising market due to an ageing model line-up. The 106 ceased production in June, the 406 coupe a little later and details of the replacement for the 406, the exciting 407, began to appear. The launch of 407 in May 2004 plus the recent introduction of the 307CC and the 206 GTI180 portend well for the future model line-up and will ensure continued success for the franchise.

Service and parts remain strong although increasingly competitive and make a significant contribution to the business.

Rental and accident damage repair made positive and growing influence to the end result.

The dealerships continued to be at the top of their respective leagues in the important areas of customer satisfaction indices (CSI).

In spite of increased costs, many outside our control, both locations were profitable.

A fine product, a loyal stable experienced workforce and an excellent reputation will enable the company to progress with confidence in 2004.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2003.

MARSHALL ROEBUCK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2003

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 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03
Ordinary £1 shares		
Mr B.J. Roff	40,000	40,000
Mrs G. Roff	-	-
Miss Z.A. Martin	5,000	5,000
Mr. I.J. Robbins	5,000	5,000
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.

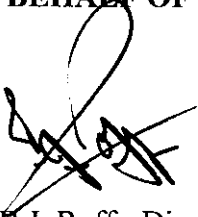
MARSHALL ROEBUCK LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

AUDITOR

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'B.J. Roff', written over a horizontal line.

Mr B.J. Roff - Director

31st March 2004

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 2003 on pages seven to twenty. 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.

**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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



P. Deane F.C.C.A.
Chartered Certified Accountant and
Registered Auditor
Christmas Cottage, Silver Street North,
Chacombe
Northamptonshire
OX17 2JS

31st March 2004

MARSHALL ROEBUCK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2003**

		31.12.03	31.12.02
	Notes	£	£
TURNOVER		20,674,877	18,472,809
Cost of sales		(20,378,894)	(18,280,974)
GROSS PROFIT		295,983	191,835
Administrative expenses		(1,277,784)	(1,067,229)
		(981,801)	(875,394)
Other operating income		1,103,758	998,840
OPERATING PROFIT	3	121,957	123,446
Interest receivable and similar income		1,751	2,887
		123,708	126,333
Interest payable and similar charges	4	(77,661)	(94,899)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,047	31,434
Tax on profit on ordinary activities	5	(19,543)	(7,802)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		26,504	23,632
Retained profit brought forward		387,796	364,164
RETAINED PROFIT CARRIED FORWARD		£414,300	£387,796

The notes form part of these financial statements

MARSHALL ROEBUCK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2003**

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 2003**

		31.12.03	31.12.02
	Notes	£	£
FIXED ASSETS:			
Intangible assets	6	150,000	195,000
Tangible assets	7	211,404	201,046
Investments	8	12,150	12,150
		<u>373,554</u>	<u>408,196</u>
 CURRENT ASSETS:			
Stocks	9	1,783,583	1,441,960
Debtors	10	1,048,639	1,416,513
Cash at bank and in hand		46,449	48,239
		<u>2,878,671</u>	<u>2,906,712</u>
CREDITORS: Amounts falling due within one year	11	(2,618,518)	(2,655,513)
NET CURRENT ASSETS:		<u>260,153</u>	<u>251,199</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES:		633,707	659,395
 CREDITORS: Amounts falling due after more than one year	12	(154,258)	(209,060)
 PROVISIONS FOR LIABILITIES AND CHARGES:	16	(15,149)	(12,539)
		<u>£464,300</u>	<u>£437,796</u>

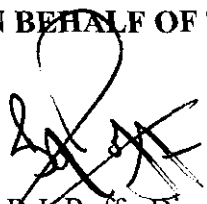
The notes form part of these financial statements

MARSHALL ROEBUCK LIMITED

BALANCE SHEET
31ST DECEMBER 2003

		31.12.03	31.12.02
	Notes	£	£
CAPITAL AND RESERVES:			
Called up share capital	17	50,000	50,000
Profit and loss account		414,300	387,796
SHAREHOLDERS' FUNDS:	20	<u>£464,300</u>	<u>£437,796</u>

ON BEHALF OF THE BOARD:


Mr B.J. Roff - Director


Mrs G. Roff - Director

Mrs G. Roff - Director

78 Approved by the Board on 31st March 2004

The notes form part of these financial statements

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

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.

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

2. STAFF COSTS

	31.12.03	31.12.02
	£	£
Wages and salaries	1,480,416	1,107,314
Social security costs	146,575	137,223
Other pension costs	18,826	26,231
	<u>1,645,817</u>	<u>1,270,768</u>

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

	31.12.03	31.12.02
Management and administration	12	13
Sales and distribution	21	23
Production	52	46
	<u>85</u>	<u>82</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.03	31.12.02
	£	£
Hire of plant and machinery	6,055	4,912
Depreciation - owned assets	36,998	28,945
Profit on disposal of fixed assets	(633)	-
Goodwill written off	45,000	30,000
Auditor's remuneration	9,000	9,000
	<u>99,860</u>	<u>86,071</u>

Directors' emoluments

214,860	209,922
<u>214,860</u>	<u>209,922</u>

Information regarding the highest paid director is as follows:

	31.12.03	31.12.02
	£	£
Emoluments etc	<u>99,860</u>	<u>86,071</u>

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.03	31.12.02
	£	£
Bank interest	2,211	2,212
Other interest	75,450	92,687
	<u>77,661</u>	<u>94,899</u>

5. TAXATION

Analysis of the tax charge

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

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	16,933	7,384
Deferred taxation	2,610	418
Tax on profit on ordinary activities	<u>19,543</u>	<u>7,802</u>

UK corporation tax has been charged at 19% (2002 - 19.25%).

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1st January 2003	
and 31st December 2003	<u>225,000</u>
AMORTISATION:	
At 1st January 2003	30,000
Charge for year	<u>45,000</u>
At 31st December 2003	<u>75,000</u>
NET BOOK VALUE:	
At 31st December 2003	<u>150,000</u>
At 31st December 2002	<u>195,000</u>

MARSHALL ROEBUCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

7. TANGIBLE FIXED ASSETS

	Improvements to property	Service and parts equipment	Fixtures and fittings
	£	£	£
COST:			
At 1st January 2003	31,300	147,052	49,221
Additions	741	30,532	3,913
Disposals	-	(3,400)	-
At 31st December 2003	32,041	174,184	53,134
DEPRECIATION:			
At 1st January 2003	2,087	31,895	17,531
Charge for year	3,179	17,537	4,133
Eliminated on disposals	-	(1,997)	-
At 31st December 2003	5,266	47,435	21,664
NET BOOK VALUE:			
At 31st December 2003	26,775	126,749	31,470
At 31st December 2002	29,213	115,157	31,691

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

7. TANGIBLE FIXED ASSETS - continued

	Motor vehicles	Computer equipment	Totals
	£	£	£
COST:			
At 1st January 2003	19,155	72,691	319,419
Additions	2,650	11,291	49,127
Disposals	(500)	-	(3,900)
At 31st December 2003	21,305	83,982	364,646
DEPRECIATION:			
At 1st January 2003	10,485	56,376	118,374
Charge for year	3,297	8,852	36,998
Eliminated on disposals	(133)	-	(2,130)
At 31st December 2003	13,649	65,228	153,242
NET BOOK VALUE:			
At 31st December 2003	7,656	18,754	211,404
At 31st December 2002	8,670	16,315	201,046

8. FIXED ASSET INVESTMENTS

		£
COST:		
At 1st January 2003		
and 31st December 2003		12,150
		<hr/>
NET BOOK VALUE:		
At 31st December 2003		12,150
		<hr/> <hr/>
At 31st December 2002		12,150
		<hr/> <hr/>
	31.12.03	31.12.02
	£	£
Unlisted investments	12,150	12,150
	<hr/>	<hr/>

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

9. STOCKS

	31.12.03	31.12.02
	£	£
Finished goods	<u>1,783,583</u>	<u>1,441,960</u>

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

	31.12.03	31.12.02
	£	£
Trade debtors	530,314	573,300
Other debtors	364,745	563,184
Prepayments & accrued income	153,580	280,029
	<u>1,048,639</u>	<u>1,416,513</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.03	31.12.02
	£	£
Bank loans and overdrafts (see note 13)	332,906	408,875
Trade creditors	951,927	918,427
Directors current accounts	291,431	296,562
Other creditors	814,463	792,661
Social security & other taxes	53,332	51,771
Taxation	16,933	7,384
Accrued expenses	157,526	179,833
	<u>2,618,518</u>	<u>2,655,513</u>

MARSHALL ROEBUCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

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

	31.12.03	31.12.02
	£	£
Bank loans (see note 13)	<u>154,258</u>	<u>209,060</u>

13. LOANS AND OVERDRAFTS

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

	31.12.03	31.12.02
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	272,906	348,875
Bank loans	<u>60,000</u>	<u>60,000</u>
	<u>332,906</u>	<u>408,875</u>
Amounts falling due between two and five years:		
Bank loans	<u>154,258</u>	<u>209,060</u>

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

14. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	Operating leases			
	Land and buildings		Other	
	31.12.03 £	31.12.02 £	31.12.03 £	31.12.02 £
Expiring:				
Within one year	-	-	18,627	13,456
Between one and five years	-	-	6,538	6,547
In more than five years	226,000	226,000	-	-
	<u>226,000</u>	<u>226,000</u>	<u>25,165</u>	<u>20,003</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

	31.12.03 £	31.12.02 £
Deferred taxation	<u>15,149</u>	<u>12,539</u>

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

16. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Balance at 1st January 2003	12,539
Increased potential liability	2,610
	<hr/>
Balance at 31st December 2003	15,149
	<hr/>

17. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.12.03 £	31.12.02 £
250,000	Ordinary	£1	250,000	250,000
			<hr/>	<hr/>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.03 £	31.12.02 £
50,000	Ordinary	£1	50,000	50,000
			<hr/>	<hr/>

18. CONTINGENT LIABILITIES

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

MARSHALL ROEBUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

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.

During the year the company paid rent to Amstey Investments Limited totalling £226,000 (2002: £167,833). No rent was owing to Amstey Investments at the year end (2002: £NIL).

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 £62,605 (2002: £79,085) and purchases from Harvey Coachworks Limited were £251,173 (2002: £267,967). The year end debtor was £16,210 (2002: £15,347) and the creditor was £15,328 (2002: £14,825).

The company received management charges from Harvey Coachworks Limited amounting to £19,992 (2002: £19,992). This amount is included within other operating income. At the balance sheet date, nothing was owed by Harvey Coachworks Limited (2002: £10,200).

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.03	31.12.02
	£	£
Profit for the financial year	26,504	23,632
Net addition to shareholders' funds	26,504	23,632
Opening shareholders' funds	437,796	414,164
Closing shareholders' funds	464,300	437,796
Equity interests	464,300	437,796