

Company Registration No. 3464638

SAFE DRIVING AUTOMOTIVE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003



22227 - B-2003

Registered Office
5 Bourlet Close
London

SAFE DRIVING AUTOMOTIVE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The director presents his report and financial statements for the year ended 31 December 2003.

Principal activity

The principal activity of the company is the provision of services.

Review of the business and future developments

The director considers that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future.

Results and dividends

The results for the year are set out on page 4.

Dividends of €101,680 have been paid during the period (2002: €-).

Director

The following director has held office since 1 January 2003:

T Lane

The director has no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

On behalf of the board


.....
T Lane (Director)

Date: 27/0/04

SAFE DRIVING AUTOMOTIVE LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SAFE DRIVING AUTOMOTIVE LIMITED**

We have audited the financial statements of Safe Driving Automotive Limited on pages 4 to 9 for the year ended 31 December 2003. 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. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

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SAFE DRIVING AUTOMOTIVE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF SAFE DRIVING AUTOMOTIVE LIMITED

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 director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Matthew Edwards & Co.
Matthew Edwards & Co.
Chartered Accountants
Registered Auditor

27/10/04.....
Clinch's House, Lord Street
Douglas
Isle of Man

SAFE DRIVING AUTOMOTIVE LIMITED

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

		2003	2002
	Notes	€	as restated €
Turnover	2	3,042,900	1,637,874
Cost of sales		(2,836,635)	(1,498,447)
Gross profit		206,265	139,427
Administrative expenses		(27,246)	(10,669)
Operating profit	3	179,019	128,758
Other interest receivable and similar income	4	44	6,978
Interest payable and similar charges	5	(412)	-
Profit on ordinary activities before taxation		178,651	135,736
Tax on profit on ordinary activities	6	(60,260)	(34,056)
Profit on ordinary activities after taxation		118,391	101,680
Dividends	7	(101,680)	-
Retained profit for the year	11	16,711	101,680
Profit brought forward at 1 January 2003		101,680	-
Profit carried forward at 31 December 2003		118,391	101,680

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.

SAFE DRIVING AUTOMOTIVE LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2003**

		2003		2002	
	Notes	€	€	as restated	€
Current assets					
Debtors	8	784,200		483,129	
Cash at bank and in hand		20,500		116,869	
		<u>804,700</u>		<u>599,998</u>	
Creditors: amounts falling due within one year	9	<u>(684,775)</u>		<u>(496,784)</u>	
Total assets less current liabilities			<u>119,925</u>		<u>103,214</u>
Capital and reserves					
Called up share capital	10		1,534		1,534
Profit and loss account	11		118,391		101,680
Shareholders' funds - equity interests	12		<u>119,925</u>		<u>103,214</u>

The financial statements were approved by the Board on 27/10/04.....


.....
T Lane
Director

SAFE DRIVING AUTOMOTIVE LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

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 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 director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.3 Foreign currency translation

The company's accounting records are maintained in Euros.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 Comparatives

The currency the financial statements have been prepared in has been adjusted from Pounds Sterling to Euros. There has been no material effect on the profit and loss or balance sheet from this adjustment.

2 Turnover

Turnover represents income derived from the company's principal activity.

3	Operating profit	2003	2002
		€	€
	Operating profit is stated after charging:		
	Accountancy	4,405	1,534
		<u>4,405</u>	<u>1,534</u>
4	Other interest receivable and similar income	2003	2002
		€	€
	Bank interest received	44	57
	Profit on foreign exchange	-	6,921
		<u>44</u>	<u>6,978</u>
5	Interest payable and similar charges	2003	2002
		€	€
	Loss on foreign exchange	412	-
		<u>412</u>	<u>-</u>

SAFE DRIVING AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

6	Taxation	2003 €	2002 €
	Domestic current year tax		
	Corporation tax at 30.00% (2002 - 25.09%)	53,595	34,056
	Adjustment for prior years	6,665	-
	Current tax charge	<u>60,260</u>	<u>34,056</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>178,651</u>	<u>135,736</u>
	Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2002: 25.09%)	<u>53,595</u>	<u>34,056</u>
	Effects of:		
	Adjustments to previous periods	<u>6,665</u>	<u>-</u>
	Current tax charge	<u>60,260</u>	<u>34,056</u>
7	Dividends	2003 €	2002 €
	Ordinary interim paid	<u>101,680</u>	<u>-</u>
8	Debtors	2003 €	2002 €
	Trade debtors	784,200	466,600
	Other debtors	-	16,529
		<u>784,200</u>	<u>483,129</u>
9	Creditors: amounts falling due within one year	2003 €	2002 €
	Trade creditors	583,183	461,960
	Corporation tax	94,316	34,056
	Accruals and deferred income	7,276	768
		<u>684,775</u>	<u>496,784</u>

SAFE DRIVING AUTOMOTIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003**

10 Share capital	2003	2002
	No.	No.
Authorised		
10,000 ordinary £1 shares	10,000	10,000
Allotted, called up and fully paid	€	€
1,000 ordinary £1 shares	1,534	1,534
11 Statement of movements on profit and loss account		Profit and loss account €
Balance at 1 January 2003		101,680
Retained profit for the year		16,711
Balance at 31 December 2003		118,391
12 Reconciliation of movements in shareholders' funds	2003	2002
	€	€
Profit for the financial year	118,391	101,680
Dividends	(101,680)	-
Net addition to shareholders' funds	16,711	101,680
Opening shareholders' funds	103,214	1,534
Closing shareholders' funds	119,925	103,214
13 Contingent liabilities		
There were no known contingent liabilities at the balance sheet date.		
14 Capital commitments		
There were no major capital commitments as at the balance sheet date		
15 Employees		
Number of employees		
There were no employees during the year apart from the director. The director received no remuneration during the year.		

SAFE DRIVING AUTOMOTIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003**

16 Ultimate Controlling Party and Related Party Transactions

The director is aware of the identity of the ultimate controlling party. However, they are under a duty of confidentiality that prevents them from disclosing certain information otherwise required by Financial Reporting Standard 8. Therefore they have taken the exemption offered by the Standard in respect of confidentiality.