

A & B Autoparts Limited
Directors' Report and Financial Statements
for the period ended 30 April 2003

Registration Number 4479004



J F W Robinson and Co
Chartered Accountants
Whitehaven

A & B Autoparts Limited

Directors' report for the period ended 30 April 2003

The directors present their report and the financial statements for the period ended 30 April 2003.

Incorporation and change of name

The company was incorporated on 5 July 2002 as A & B Autoparts Limited. The company commenced trade on 1 August 2002.

Principal activity

The principal activity of the company is that of motor component distributors.

Directors and their interests

The directors who served during the period and their interests in the company are as stated below:

		ordinary shares		A ordinary shares	
		30/04/03	01/08/02	30/04/03	01/08/02
		or date of appointment		or date of appointment	
B Farragher	Appointed 5 July 2002	1	1	-	-
A J Morgan	Appointed 5 July 2002	1	1	-	-

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 20 February 2004 and signed on its behalf by



B Farragher
Secretary

A & B Autoparts Limited

**Profit and loss account
for the period ended 30 April 2003**

	Notes	£
Turnover	2	583,061
Cost of sales		(372,364)
Gross profit		<u>210,697</u>
Administrative expenses		(107,142)
Operating profit	3	<u>103,555</u>
Interest payable and similar charges		(4,558)
Profit on ordinary activities before taxation		<u>98,997</u>
Tax on profit on ordinary activities	5	(21,423)
Profit on ordinary activities after taxation		<u>77,574</u>
Dividends	6	(54,000)
Retained profit for the period		<u><u>23,574</u></u>

There are no recognised gains or losses other than the profit or loss for the above financial period.

The notes on pages 5 to 12 form an integral part of these financial statements.

A & B Autoparts Limited

Balance sheet as at 30 April 2003

	Notes	£	£
Fixed assets			
Intangible assets	7		92,500
Tangible assets	8		35,368
			<u>127,868</u>
Current assets			
Stocks		136,275	
Debtors	9	113,679	
Cash at bank and in hand		50	
		<u>250,004</u>	
Creditors: amounts falling due within one year	10	(287,786)	
Net current liabilities			<u>(37,782)</u>
Total assets less current liabilities			90,086
Creditors: amounts falling due after more than one year	11		(64,693)
Provisions for liabilities and charges	12		<u>(1,815)</u>
Net assets			<u>23,578</u>
Capital and reserves			
Called up share capital	14		4
Profit and loss account			23,574
Shareholders' funds	15		<u>23,578</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 12 form an integral part of these financial statements.

A & B Autoparts Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the period ended 30 April 2003**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 30 April 2003 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on 20 February 2004 and signed on its behalf by



A J Morgan
Director

The notes on pages 5 to 12 form an integral part of these financial statements.

A & B Autoparts Limited

Notes to the financial statements for the period ended 30 April 2003

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 FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	- 15% reducing balance
Motor vans	- 25% reducing balance

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

A & B Autoparts Limited

Notes to the financial statements for the period ended 30 April 2003

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	£
Operating profit is stated after charging:	
Depreciation and other amounts written off intangible assets	7,500
Depreciation and other amounts written off tangible assets	8,099
	<u>15,599</u>

4. Directors' emoluments

	£
Remuneration and other benefits	7,578
	<u>7,578</u>

A & B Autoparts Limited

Notes to the financial statements for the period ended 30 April 2003

5. Tax on profit on ordinary activities

Analysis of charge in period

	£
Current tax	
UK corporation tax	19,608
Total current tax charge	<u>19,608</u>
Deferred tax	
Timing differences, origination and reversal	1,815
Total deferred tax	<u>1,815</u>
Tax on profit on ordinary activities	<u>21,423</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2003 £
Profit on ordinary activities before taxation	<u>98,997</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	18,809
Effects of:	
Expenses not deductible for tax purposes	267
Capital allowances for period in excess of depreciation	(893)
Amortisation of goodwill	1,425
Current tax charge for period	<u>19,608</u>

6. Dividends

	£
Dividends on equity shares:	
ordinary shares - final proposed	<u>54,000</u>

A & B Autoparts Limited

Notes to the financial statements for the period ended 30 April 2003

7. Intangible fixed assets

	Goodwill £	Total £
Cost		
Additions	100,000	100,000
At 30 April 2003	<u>100,000</u>	<u>100,000</u>
Provision for diminution in value		
Charge for period	7,500	7,500
At 30 April 2003	<u>7,500</u>	<u>7,500</u>
Net book value		
At 30 April 2003	<u>92,500</u>	<u>92,500</u>

8. Tangible fixed assets

	Fixtures and fittings £	Motor vans £	Total £
Cost			
Additions	17,592	27,375	44,967
Disposals	-	(2,900)	(2,900)
At 30 April 2003	<u>17,592</u>	<u>24,475</u>	<u>42,067</u>
Depreciation			
Charge for the period	1,979	4,720	6,699
At 30 April 2003	<u>1,979</u>	<u>4,720</u>	<u>6,699</u>
Net book value			
At 30 April 2003	<u>15,613</u>	<u>19,755</u>	<u>35,368</u>

A & B Autoparts Limited

Notes to the financial statements for the period ended 30 April 2003

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	Net book value £	Depreciation charge £
Fixtures and fittings	7,544	956
Motor vans	17,123	3,952
	<u>24,667</u>	<u>4,908</u>

9. Debtors

	£
Trade debtors	108,644
Other debtors	5,035
	<u>113,679</u>

10. Creditors: amounts falling due within one year

	£
Bank overdraft	8,330
Bank loan accounts	9,320
Net obligations under finance leases and hire purchase contracts	8,189
Trade creditors	98,469
Directors' loan accounts	69,107
Other creditors	94,371
	<u>287,786</u>

A & B Autoparts Limited

**Notes to the financial statements
for the period ended 30 April 2003**

**11. Creditors: amounts falling due
after more than one year**

	£
Loans	50,133
Net obligations under finance leases and hire purchase contracts	14,560
	<u>64,693</u>
Loans	
Repayable in one year or less, or on demand (Note 10)	9,320
Repayable between one and two years	6,081
Repayable between two and five years	18,035
Repayable in five years or more	26,017
	<u>59,453</u>
Net obligations under finance leases and hire purchase contracts	
Repayable within one year	8,189
Repayable between one and five years	14,560
	<u>22,749</u>

12. Provisions for liabilities and charges

	Deferred taxation (Note 13) £	Total £
Movements in the year	1,815	1,815
At 30 April 2003	<u>1,815</u>	<u>1,815</u>

A & B Autoparts Limited

Notes to the financial statements for the period ended 30 April 2003

13. Provision for deferred taxation

	£
Accelerated capital allowances	1,815
	<u>1,815</u>
Deferred tax charge in profit and loss account	1,815
Provision at 30 April 2003	<u>1,815</u>

14. Share capital

	£
Authorised	
5,000 ordinary shares of 1 each	5,000
5,000 A ordinary shares of 1 each	5,000
5,000 B ordinary shares of 1 each	5,000
5,000 C ordinary shares of 1 each	5,000
5,000 D ordinary shares of 1 each	5,000
5,000 E ordinary shares of 1 each	5,000
5,000 F ordinary shares of 1 each	5,000
5,000 G ordinary shares of 1 each	5,000
5,000 H ordinary shares of 1 each	5,000
5,000 I ordinary shares of 1 each	5,000
	<u>50,000</u>
Allotted, called up and fully paid equity	
2 ordinary shares of 1 each	2
2 A ordinary shares of 1 each	2
	<u>4</u>

15. Reconciliation of movements in shareholders' funds

	£
Profit for the period	77,574
Dividends	(54,000)
	<u>23,574</u>
Net proceeds of equity share issue	4
Net addition to shareholders' funds	<u>23,578</u>

A & B Autoparts Limited

**Notes to the financial statements
for the period ended 30 April 2003**

16. Transactions with directors

The directors have given personal guarantees in respect of the company's banking facilities.

17. Related party transactions

The company operates from premises owned by the directors. The premises are let to the company free of charge.