

SOUTHERN EXHAUST SUPPLIES LIMITED

Company Number: 2912863

AMENDING
ACCOUNTS

ABBREVIATED STATUTORY ACCOUNTS
YEAR ENDED 30TH APRIL 1996

GRAHAM MARTIN & CO
CHARTERED ACCOUNTANTS



SOUTHERN EXHAUST SUPPLIES LIMITED
ABBREVIATED STATUTORY ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1996

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AUDITORS' REPORT TO
SOUTHERN EXHAUST SUPPLIES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial accounts set out on pages 2 to 3, together with the financial accounts of the company for the Year ended 30th April 1996 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the financial accounts, that the company is entitled to deliver abbreviated financial accounts and that the abbreviated financial accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated financial accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial accounts on pages 2 to 3 are properly prepared in accordance with those provisions.

As our report on the full accounts was qualified it is reproduced in full overleaf (page 1a).

GRAHAM MARTIN & CO
Registered Auditors
Chartered Accountants

89 Leigh Road
Eastleigh
Hampshire
SO50 9DQ

26th August 1998

Graham Martin Co

AUDITORS' REPORT TO THE SHAREHOLDERS OF
SOUTHERN EXHAUST SUPPLIES LIMITED

We have audited the financial accounts on pages 4 to 6e which have been prepared under the historical cost convention and the accounting policies set out on page 6a.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

LIMITATION OF SCOPE

The scope of our audit was limited to the current year. We have not audited those for 1995. We have however attempted to satisfy ourselves with regard to the balances brought forward.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 30th April 1996 and of its profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985. We cannot express an opinion in respect of the comparative for 1995. We would refer all readers to the note in respect of prior year adjustment.

Graham Martin & Co.

GRAHAM MARTIN & CO
Registered Auditors
Chartered Accountants
89 Leigh Road
Eastleigh
Hampshire
SO50 9DQ

26th August 1998

SOUTHERN EXHAUST SUPPLIES LIMITEDABBREVIATED BALANCE SHEET
AS AT 30TH APRIL 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Intangible Assets	2	-	200,000
Tangible Assets	2	95,438	51,680
		<u>95,438</u>	<u>251,680</u>
CURRENT ASSETS			
Stock and Work in Progress		156,979	90,250
Debtors		353,414	124,773
Cash at Bank and in Hand		13,209	175
		<u>523,602</u>	<u>215,198</u>
CREDITORS : Amounts Falling			
Due within One Year	3	<u>(544,562)</u>	<u>(220,619)</u>
NET CURRENT LIABILITIES		<u>(20,960)</u>	<u>(5,421)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,478</u>	<u>246,259</u>
CREDITORS : Amounts Falling			
Due After more than One Year	3	17,803	34,464
PROVISION FOR LIABILITIES			
AND CHARGES		-	80,354
		<u>£ 56,675</u>	<u>£ 131,441</u>
CAPITAL AND RESERVES			
Share Capital	4	102	100,000
Profit and Loss Account		56,573	31,441
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<u>£ 56,675</u>	<u>£ 131,441</u>

The notes on pages 3a to 3c form part of these accounts.

continued

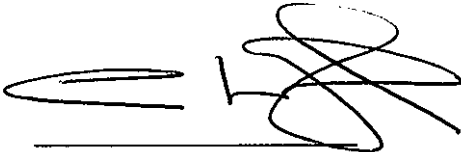
SOUTHERN EXHAUST SUPPLIES LIMITEDABBREVIATED BALANCE SHEET

(continued)

AS AT 30TH APRIL 1996

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

Signed on behalf of the
board of directors

A handwritten signature in dark ink, appearing to be 'C.C. Wilson', written over a horizontal line.*26/8/98*

C.C. Wilson
Director

Approved by the board:

The notes on pages 3a to 3c form part of these accounts.

SOUTHERN EXHAUST SUPPLIES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1996**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

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

Motor Vehicles	25% on reducing balance
Plant and Equipment	25% on reducing balance
Fixtures and Fittings	25% on reducing balance

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Deferred Taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

SOUTHERN EXHAUST SUPPLIES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 19962. FIXED ASSETS

	<u>Tangible</u> <u>Assets</u> £
COST	
At 1st May 1995	71,091
Additions in Year	66,134
Disposals in Year	(5,100)
	<hr/>
At 30th April 1996	132,125
	<hr/>
DEPRECIATION/AMORTISATION	
At 1st May 1995	17,498
Write off on Disposal	(1,000)
Charge for Year	20,189
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At 30th April 1996	36,687
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NET BOOK VALUE	
At 30th April 1996	95,438
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At 30th April 1995	51,680
	<hr/>

See note 5 on prior year adjustment.

3. CREDITORS**SECURED BORROWINGS:**

The Company's overdraft facility is secured by a fixed and floating charge on the assets of the company.

AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

No liabilities fall due after more than five years.

4. SHARE CAPITAL

	<u>1996</u> £	<u>1995</u> £
Authorised	100,000	100,000
	<hr/>	<hr/>
Allotted, Issued and Fully Paid	102	100,000
	<hr/>	<hr/>

See note 5 on prior year adjustment.

SOUTHERN EXHAUST SUPPLIES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1996**5. PRIOR YEAR ADJUSTMENT**

During the course of the year ended 30th April 1998 it was established that Glenn Gray, the company's auditor had been struck off in 1994 and was therefore not entitled to sign the company's audit report and indeed had not been entitled to sign that for 1995.

Graham Martin and Co of Eastleigh were duly appointed to act as auditors in respect of the years ended 30th April 1996 and subsequently. In the course of their investigations of the affairs of the company it has come to light that a number of policies advised by Mr Gray were at best inappropriate and at worst illegal. We have therefore asked Graham Martin and Co to restate these accounts.

On incorporation we were advised to create £200,000 in goodwill to be balanced by the creation of £100,000 in share capital and £100,000 in our loan account. This was completely wrong and has been corrected in these accounts.

Further we were advised by Mr Gray to establish a general warranty provision which he then claimed tax relief on on or behalf. This amounted to some £40354. This has now been reversed and the appropriate tax provision made. A further £11,047 in minor adjustments was also added back to the profit for 1995 and the tax computation restated.

As a consequence of Mr Gray's advice we drew funds from the company without operating the dividend system properly. We now have to approach the Inland Revenue with the assistance of Graham Martin and Co to assess the extent of the company's further tax liabilities. These have not been fully quantified at this time but are expected to be of the order of £35,000 to £50,000.