

Please sign + return (ROC)

Registration number 01522824

Shephall Way Service Station Limited

Directors' report and financial statements

for the year ended 30 June 2001



Shephall Way Service Station Limited

Company information

Directors	P K Brown Mrs D P Brown D J Edwards	(Resigned 22 June 2001)
Secretary	D J Edwards	
Company number	01522824	
Registered office	Shephall Way Service Station Shephall Way Stevenage Herts	
Auditors	Cartwright and Company 106 High Street Stevenage Herts SG1 3DW	
Bankers	Lloyds Bank Plc Town Square Stevenage Herts	

Shephall Way Service Station Limited

Contents

	Page
Directors' report	1
Auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 16

Shephall Way Service Station Limited

Directors' report for the year ended 30 June 2001

The directors present their report and the financial statements for the year ended 30 June 2001.

Principal activity and review of the business

The principal activity of the company is motor vehicle resales, service and maintenance, petrol and accessory resales.

Results and dividends

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

The directors have paid an interim dividend amounting to £43,942 and they do not recommend payment of a final dividend.

Directors and their interests

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

	Ordinary shares	
	30/06/01	01/07/00
P K Brown	62,991	62,991
Mrs D P Brown (Resigned 22 June 2001)	7,500	10,000
D J Edwards	2,500	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Cartwright and Company will be deemed to be reappointed for each succeeding financial year.

The directors recommend that Cartwright and Company remain in office until further notice.

This report was approved by the Board on and signed on its behalf by
26th March 2002


D J Edwards
Secretary

Shephall Way Service Station Limited

Independent auditors' report to the shareholders of Shephall Way Service Station Limited

We have audited the financial statements of Shephall Way Service Station Limited for the year ended 30 June 2001 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are 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 directors 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 directors' remuneration and transactions with the company is not disclosed.

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

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 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.

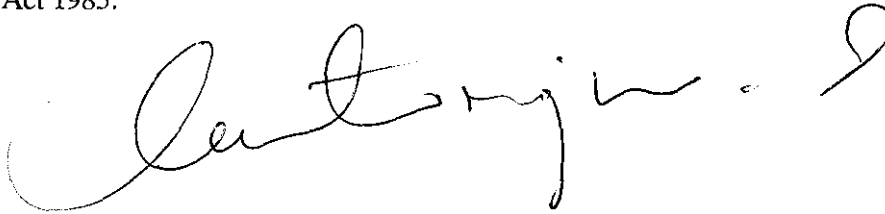
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Shephall Way Service Station Limited

Independent auditors' report to the shareholders of Shephall Way Service Station Limited continued


Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cartwright and Company
Registered Auditor

20th March 2002



106 High Street
Stevenage
Herts
SG1 3DW

Shephall Way Service Station Limited

**Profit and loss account
for the year ended 30 June 2001**

		2001		2000	
	Notes	£	£	£	£
Turnover	2				
Continuing operations		3,468,622		3,173,417	
Discontinued operations		<u>677,286</u>		<u>1,620,692</u>	
			4,145,908		4,794,109
Cost of sales			<u>(3,915,354)</u>		<u>(4,559,958)</u>
Gross profit			230,554		234,151
Administrative expenses			(224,678)		(211,617)
Other operating income			<u>12,911</u>		<u>60,989</u>
Operating profit	4				
Continuing operations		21,243		57,139	
Discontinued operations		<u>(2,456)</u>		<u>26,384</u>	
			18,787		83,523
Investment income	5		-		387,880
Other interest receivable and similar income			8,486		9,304
Amount written off investments	6		<u>-</u>		<u>(26,714)</u>
Profit on ordinary activities before taxation			27,273		453,993
Tax on profit on ordinary activities	10		<u>(6,563)</u>		<u>(18,954)</u>
Profit on ordinary activities after taxation			20,710		435,039
Dividends	11		<u>(43,942)</u>		<u>(133,992)</u>
(Loss)/retained profit for the year			<u><u>(23,232)</u></u>		<u><u>301,047</u></u>

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

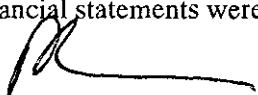
The notes on pages 7 to 16 form an integral part of these financial statements.

Shephall Way Service Station Limited

**Balance sheet
as at 30 June 2001**

		2001		2000	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		91,016		52,937
Investments	13		226,153		226,153
			<u>317,169</u>		<u>279,090</u>
Current assets					
Stocks	14	357,551		292,852	
Debtors	15	185,581		67,493	
Cash at bank and in hand		125,801		243,226	
		<u>668,933</u>		<u>603,571</u>	
Creditors: amounts falling due within one year	16	<u>(542,576)</u>		<u>(416,718)</u>	
Net current assets			<u>126,357</u>		<u>186,853</u>
Total assets less current liabilities			443,526		465,943
Provisions for liabilities and charges	17		<u>(4,411)</u>		<u>(3,596)</u>
Net assets			<u>439,115</u>		<u>462,347</u>
Capital and reserves					
Called up share capital	19		100,000		100,000
Profit and loss account			339,115		362,347
Equity shareholders' funds	20		<u>439,115</u>		<u>462,347</u>

The financial statements were approved by the Board on and signed on its behalf by
26th March 2002


P K Brown
Director

CERTIFIED A TRUE COPY

The notes on pages 7 to 16 form an integral part of these financial statements.

Shephall Way Service Station Limited

**Cash flow statement
for the year ended 30 June 2001**

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		18,787	83,523
Depreciation		15,196	18,191
(Increase) in stocks		(64,699)	92,102
(Increase) in debtors		(118,088)	53,185
Increase in creditors		45,722	(173,428)
Net cash outflow from operating activities		<u>(103,082)</u>	<u>73,573</u>
Cash flow statement			
Net cash outflow from operating activities		(103,082)	73,573
Returns on investments and servicing of finance	24	8,486	397,184
Taxation	24	(19,543)	(6,404)
Capital expenditure	24	(53,275)	(18,782)
		(167,414)	445,571
Equity dividends paid		(43,942)	(133,992)
Decrease in cash in the year		<u>(211,356)</u>	<u>311,579</u>
Reconciliation of net cash flow to movement in net debt (Note 25)			
Decrease in cash in the year		(211,356)	311,579
Net funds at 1 July 2000		213,934	(97,645)
Net funds at 30 June 2001		<u>2,578</u>	<u>213,934</u>

Shephall Way Service Station Limited

Notes to the financial statements for the year ended 30 June 2001

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

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

1.3. 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:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	15% Reducing balance method
Fixtures, fittings and equipment	-	20% Reducing balance method

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

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

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.9. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

Shephall Way Service Station Limited

Notes to the financial statements for the year ended 30 June 2001

..... continued

2. Turnover

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

	2001 £	2000 £
Class of business		
Car sales	3,052,478	2,734,684
Workshop sales	416,144	438,733
Forecourt sales	677,286	1,620,692
	<u>4,145,908</u>	<u>4,794,109</u>

3. Note to the profit and loss account

	2001			2000		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	<u>3,235,612</u>	<u>679,742</u>	<u>3,915,354</u>	<u>2,965,650</u>	<u>1,594,308</u>	<u>4,559,958</u>
Administrative expenses	224,678	-	224,678	211,617	-	211,617
Other operating income	(12,911)	-	12,911	(60,989)	-	60,989
	<u>211,767</u>	<u>-</u>	<u>211,767</u>	<u>150,628</u>	<u>-</u>	<u>150,628</u>

4. Operating profit

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	15,196	10,731
Loss on disposal of tangible fixed assets	-	7,460
Operating lease rentals		
- Land and buildings	61,491	60,107
Auditors' remuneration	<u>2,750</u>	<u>2,650</u>

5. Income from investments

	2001 £	2000 £
Income from investments	<u>-</u>	<u>387,880</u>

Shephall Way Service Station Limited

**Notes to the financial statements
for the year ended 30 June 2001**

..... continued

6. Amounts written off investments	2001	2000
	£	£
Amounts written off fixed asset investments:		
- permanent diminution in value	-	26,714
	<u> </u>	<u> </u>
 7. Interest receivable and similar income	 2001	 2000
	£	£
Bank interest	8,486	9,304
	<u> </u>	<u> </u>
 8. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	2001	2000
Administrative staff	16	26
	<u> </u>	<u> </u>
 Employment costs	 2001	 2000
	£	£
Wages and salaries	283,301	294,461
Social security costs	25,298	25,031
Other pension costs	(781)	1,222
	<u>307,818</u>	<u>320,714</u>
 8.1. Directors' emoluments	 2001	 2000
	£	£
Remuneration and other emoluments	83,600	71,558
Compensation for loss of office	10,000	-
	<u>93,600</u>	<u>71,558</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u> </u>	<u>1</u>

P K Brown received £35,000 remuneration from Safeway Cars Limited, a subsidiary of Shephall Way Service Station Limited.

Shephall Way Service Station Limited

Notes to the financial statements for the year ended 30 June 2001

..... continued

9. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £(781) (2000 - £1,222).

10. Taxation	2001 £	2000 £
UK current year taxation		
UK corporation tax at 20.00% (2000 - 20.00%)	5,748	19,543
Transfer to deferred taxation	815	(589)
	<u>6,563</u>	<u>18,954</u>

11. Dividends	2001 £	2000 £
Dividends on equity shares:		
Ordinary shares - interim paid	<u>43,942</u>	<u>133,992</u>

12. Tangible fixed assets	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2000	33,608	115,081	45,794	194,483
Additions	39,112	10,016	4,147	53,275
At 30 June 2001	<u>72,720</u>	<u>125,097</u>	<u>49,941</u>	<u>247,758</u>
Depreciation				
At 1 July 2000	26,994	79,042	35,510	141,546
Charge for the year	5,400	6,909	2,887	15,196
At 30 June 2001	<u>32,394</u>	<u>85,951</u>	<u>38,397</u>	<u>156,742</u>
Net book values				
At 30 June 2001	<u>40,326</u>	<u>39,146</u>	<u>11,544</u>	<u>91,016</u>
At 30 June 2000	<u>6,614</u>	<u>36,039</u>	<u>10,284</u>	<u>52,937</u>

Shephall Way Service Station Limited

Notes to the financial statements for the year ended 30 June 2001

..... continued

13. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 July 2000		
At 30 June 2001	226,153	226,153
Net book values		
At 30 June 2001	226,153	226,153
At 30 June 2000	226,153	226,153

13.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Safeway Cars Limited	England	Motor vehicle sales	Ordinary	100%
Garden City Garages Limited	England	Motor vehicle sales	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Safeway Cars Limited	625,402	31,487
Garden City Garages Limited	-	-

Garden City Garages Limited ceased trading in October 1999.

Shephall Way Service Station Limited

Notes to the financial statements for the year ended 30 June 2001

..... continued

14. Stocks	2001 £	2000 £
Raw materials and consumables	30,409	28,369
Finished goods and goods for resale	327,142	264,483
	<u>357,551</u>	<u>292,852</u>

Vehicle stock held on consignment from Proton Finance Limited has not been included in stock as title of vehicles remain with Proton Finance Limited until the vehicles are sold. Proton Finance Limited also have an endorsement on Shephall Way Service Station Limited's Insurance policy.

15. Debtors	2001 £	2000 £
Trade debtors	140,827	53,555
Prepayments and accrued income	44,754	13,938
	<u>185,581</u>	<u>67,493</u>

16. Creditors: amounts falling due within one year	2001 £	2000 £
Bank overdraft	123,223	29,292
Trade creditors	159,139	103,239
Amounts owed to group undertaking	169,812	154,537
Corporation tax	5,748	19,543
Other taxes and social security costs	11,608	24,547
Other creditors	-	700
Accruals and deferred income	73,046	84,860
	<u>542,576</u>	<u>416,718</u>

The bank overdraft is secured by a debenture, containing a fixed and floating charge over the assets of the company together with cross guarantees between the group companies.

Shephall Way Service Station Limited

**Notes to the financial statements
for the year ended 30 June 2001**

..... continued

17 Provisions for liabilities and charges

	Deferred taxation (Note 18) £	Total £
At 1 July 2000	3,596	3,596
Movements in the year	815	815
At 30 June 2001	<u>4,411</u>	<u>4,411</u>

18. Deferred taxation

Deferred tax is analysed over the following timing differences:

	Not provided		Provided	
	2001 £	2000 £	2001 £	2000 £
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>4,411</u>	<u>3,596</u>

Movements on the provision for deferred taxation are:

	2001 £	2000 £
At 1 July 2000	3,596	4,185
Transferred from profit and loss account	815	(589)
At 30 June 2001	<u>4,411</u>	<u>3,596</u>

Shephall Way Service Station Limited

**Notes to the financial statements
for the year ended 30 June 2001**

..... continued

19. Share capital	2001	2000
	£	£
Authorised equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
20. Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the year	20,710	435,039
Dividends	(43,942)	(133,992)
	<u>(23,232)</u>	<u>301,047</u>
Opening shareholders' funds	462,347	161,300
Closing shareholders' funds	<u>439,115</u>	<u>462,347</u>
21. Financial commitments		
At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:		
	Land and buildings	
	2001	2000
	£	£
Expiry date:		
Between one and five years	<u>35,000</u>	<u>39,000</u>

Shephall Way Service Station Limited

Notes to the financial statements for the year ended 30 June 2001

..... continued

22. Related party transactions

During the year the company had the following transactions with the following related parties:

Safeway Cars Limited (Subsidiary)

Sale of new and used vehicles and parts of approximately £344,485.

Purchase of new and used vehicles and parts of approximately £445,373.

Management fees received of £10,000.

The amount due to the above company is shown in note 16 to the accounts.

Garden City Garages Limited (Subsidiary)

Corporation tax paid on their behalf of £25,527.

Debt written off of £141.

The above transactions were carried out at cost to transfer goods from one site to another for resale.

23. Controlling interest

P K Brown has controlling interest of the company by way of his 63% shareholding on the company.

24. Gross cash flows

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	8,486	9,304
Dividends received	-	387,880
	<u>8,486</u>	<u>397,184</u>
Taxation		
Corporation tax paid	<u>(19,543)</u>	<u>(6,404)</u>
Capital expenditure		
Payments to acquire tangible assets	(53,275)	(19,272)
Receipts from sales of tangible assets	-	490
	<u>(53,275)</u>	<u>(18,782)</u>

Shephall Way Service Station Limited

Notes to the financial statements
for the year ended 30 June 2001

..... continued

25. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	243,226	(117,425)	125,801
Overdrafts	(29,292)	(93,931)	(123,223)
	<u>213,934</u>	<u>(211,356)</u>	<u>2,578</u>
Net funds	<u>213,934</u>	<u>(211,356)</u>	<u>2,578</u>