

RAPID EXHAUSTS LIMITED

Company No: 2700287

FINANCIAL STATEMENTS

- for the year ended -

30 SEPTEMBER 1994



**GOODMAN JONES**  
Chartered Accountants  
29/30 Fitzroy Square  
London, W1P 6LQ

Reference GPB/4373/SIW

**RAPID EXHAUSTS LIMITED**

**DIRECTORS**

D.P.Bates  
G.Bennett  
G.Morris  
C.Walters

**SECRETARY**

D.P.Bates

**BUSINESS ADDRESS**

Unit 26  
Fairways  
New River Trading Estate  
Cheshunt, Herts. EN8 0NL

**REGISTERED OFFICE**

Unit 1  
312 Ware Road  
Hertford  
Herts. SG13 7ER

**AUDITORS**

Goodman Jones  
Chartered Accountants  
29/30 Fitzroy Square  
London  
W1P 6LQ

**PRINCIPAL BANKERS**

Girobank plc  
Bootle  
Merseyside  
G1R 0AA

RAPID EXHAUSTS LIMITED

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## **RAPID EXHAUSTS LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements for the year ended 30 September 1994.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is the purchase and sale of specialised motor accessories and allied parts.

The directors are pleased with the results for the year and look to the future with confidence.

#### **DIVIDEND AND TRANSFER TO RESERVES**

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £43,740 is transferred to reserves.

#### **FIXED ASSETS**

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

#### **DIRECTORS AND THEIR INTERESTS**

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

		<b>Number of shares</b>	
		<b>1994</b>	<b>1993</b>
	<b><u>Class of share</u></b>		
D.P.Bates	Ordinary shares	45	45
G.Bennett	Ordinary shares	45	45
G.Morris	Ordinary shares	10	10
C.Walters	Ordinary shares	-	-

#### **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 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.

**RAPID EXHAUSTS LIMITED**

**REPORT OF THE DIRECTORS    (Continued)**

**CLOSE COMPANY**

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

**AUDITORS**

Goodman Jones, Chartered Accountants were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985 are willing to be reappointed.

Date:

14/6/95

By Order of the Board



Secretary

**RAPID EXHAUSTS LIMITED**

**AUDITORS' REPORT**

**AUDITORS' REPORT TO THE SHAREHOLDERS OF RAPID EXHAUSTS LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

**Respective responsibilities of the directors and auditors**

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

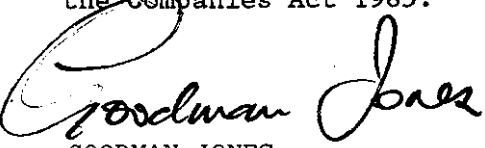
**Basis of opinion**

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 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 full financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
GOODMAN JONES

.....  
Registered Auditors  
Chartered Accountants

Date:

19 June 1995.

29/30 Fitzroy Square  
London  
W1P 6LQ

**RAPID EXHAUSTS LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1994**

	Notes	1994 £	1993 £
<b>TURNOVER</b>		715,584	150,885
Cost of sales		(507,019)	(109,592)
<b>GROSS PROFIT</b>		208,565	41,293
Administrative expenses		(151,411)	(33,277)
<b>OPERATING PROFIT</b>	2	57,154	8,016
Interest receivable	3	57	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		57,211	8,016
Tax on profit on ordinary activities	6	(13,471)	(1,522)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	43,740	6,494

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

**RAPID EXHAUSTS LIMITED**

**BALANCE SHEET AT 30 SEPTEMBER 1994**

	Notes	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets	7	42,535	29,295
<b>CURRENT ASSETS</b>			
Stocks	8	77,062	53,894
Debtors	9	113,614	47,481
Cash at bank and in hand		66,337	13,433
		<u>257,013</u>	<u>114,808</u>
<b>CREDITORS:</b> Amounts falling due within one year	10	(249,214)	(137,509)
<b>NET CURRENT ASSETS</b>		<u>7,799</u>	<u>(22,701)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>50,334</u>	<u>6,594</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	50,234	6,494
		<u>50,334</u>	<u>6,594</u>

The financial statements were approved by the board on 14<sup>th</sup> JUNE 1995 and signed on its behalf by

..... *G. Pender* ..... )  
..... *C. Waller* ..... ) Directors

The notes on pages 6 to 11 form part of these financial statements.



## RAPID EXHAUSTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1994

#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

##### 1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

##### 1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	10%	Straight line
Motor vehicles	15%	Straight line
Computer Equipment	20%	Straight line

##### 1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

##### 1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

##### 1.6 LEASING AND HIRE PURCHASE

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

##### 1.7 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

**RAPID EXHAUSTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1994**

<b>2. OPERATING PROFIT</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
The operating profit is stated after charging:-		
Depreciation	7,032	2,116
Auditors' remuneration	938	350
Operating lease rentals:-		
Land and buildings	24,000	6,000
	<hr/>	<hr/>

<b>3. INTEREST RECEIVABLE</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Bank and other interest receivable	57	-
	<hr/>	<hr/>
	57	-
	<hr/>	<hr/>

<b>4. DIRECTORS AND EMPLOYEES</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Staff costs:-		
Wages and salaries	79,352	14,922
Social security costs	6,730	-
Other pension costs	620	-
	<hr/>	<hr/>
	86,702	14,922
	<hr/>	<hr/>

The average weekly number of employees during the year was made up as follows:

	<b>Number</b>	<b>Number</b>
Administration	3	-
Distribution	4	4
	<hr/>	<hr/>
	7	4
	<hr/>	<hr/>
	<b>£</b>	<b>£</b>
Directors' emoluments:-		
Remuneration for management services (including pension contributions)	28,319	-
	<hr/>	<hr/>

**5. PENSION COSTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £620 (1993: £0). All contributions were paid in the year.

# RAPID EXHAUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1994

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 25% (1993 - 25%)	13,471	1,522
	<u>13,471</u>	<u>1,522</u>

### 7. TANGIBLE ASSETS

<u>Cost</u>	Beginning of year £	Additions £	Disposals £	End of year £
Fixtures and fittings	9,898	1,532	-	11,430
Motor vehicles	18,300	39,877	(22,950)	35,227
Computer Equipment	3,213	1,078	-	4,291
	<u>31,411</u>	<u>42,487</u>	<u>(22,950)</u>	<u>50,948</u>
<u>Depreciation</u>	Beginning of year £	Charge for year £	On disposals £	End of year £
Fixtures and fittings	540	1,051	-	1,591
Motor vehicles	1,235	5,284	(735)	5,784
Computer Equipment	341	697	-	1,038
	<u>2,116</u>	<u>7,032</u>	<u>(735)</u>	<u>8,413</u>
	Beginning of year £			End of year £
<u>Total net book values</u>	<u>29,295</u>			<u>42,535</u>

### 8. STOCKS

	1994 £	1993 £
Finished goods and goods for resale	77,062	53,894
	<u>77,062</u>	<u>53,894</u>

**RAPID EXHAUSTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1994**

<b>9. DEBTORS</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Trade debtors	102,530	39,650
Amounts owed by connected company	9,730	4,954
Prepayments and accrued income	1,354	2,877
	<hr/>	<hr/>
	113,614	47,481
	<hr/>	<hr/>

Amounts owed by a connected company are due from Autoparts Purchases Limited.

<b>10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Trade creditors	164,266	93,862
Corporation tax	14,993	1,522
Other taxes and social security costs	2,884	2,314
Directors' current accounts	5,000	-
Amounts owed to Connected Company	59,709	37,537
Other creditors	105	-
Accruals and deferred income	2,257	2,274
	<hr/>	<hr/>
	249,214	137,509
	<hr/>	<hr/>

Amounts owed to a connected company are due to Spares Accessories Motorparts Limited.

<b>11. SHARE CAPITAL</b>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
<u>Authorised</u>		
<b>Equity interests:</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
<b>Equity interests:</b>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

**RAPID EXHAUSTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1994**

**12. PROFIT AND LOSS ACCOUNT**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Retained profits at 1 October 1993	6,494	-
Profit for the financial year	43,740	6,494
	<hr/>	<hr/>
Retained profits at 30 September 1994	50,234	6,494
	<hr/>	<hr/>

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	43,740	6,494
New share capital subscribed	-	100
	<hr/>	<hr/>
Net addition to shareholders' funds	43,740	6,594
	<hr/>	<hr/>
Shareholders' funds at 1 October 1993	6,594	-
	<hr/>	<hr/>
Shareholders' funds at 30 September 1994	50,334	6,594
	<hr/>	<hr/>
Represented by:-		
Equity interests	50,334	6,594
	<hr/>	<hr/>
	50,334	6,594
	<hr/>	<hr/>

**14. REVENUE COMMITMENTS**

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

<u>Land and buildings</u>	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Expiry date:		
After five years	24,000	24,000
	<hr/>	<hr/>
	24,000	24,000
	<hr/>	<hr/>

**RAPID EXHAUSTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1994**

**15. TRANSACTIONS WITH RELATED COMPANIES**

During the year Rapid Exhausts Limited sold goods to the value of £87,516, which are net of VAT to Autoparts Purchases Limited, a company controlled by the Directors of Rapid Exhausts Limited.

During the year Rapid Exhausts Limited purchased goods to the value of £9,811 which are net of VAT from Spares Accessories Motorparts Limited, a company controlled by the Directors of Rapid Exhausts Limited.

During the year Rapid Exhausts Limited purchased goods to the value of £4,903 which are net of VAT from Autoparts Purchases Limited, a company controlled by the Directors of Rapid Exhausts Limited.