

ARROW AUTOPARTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003



ARROW AUTOPARTS LIMITED

COMPANY INFORMATION

| | | |
|------------------|-------------|-----------------------------|
| Directors | A T Clarkin | (Appointed 5 February 2002) |
| | J Hollis | (Appointed 5 February 2002) |

| | |
|------------------|-------------|
| Secretary | A T Clarkin |
|------------------|-------------|

| | |
|-----------------------|---------|
| Company number | 4355717 |
|-----------------------|---------|

| | |
|--------------------------|---|
| Registered office | 198 - 202 Rayleigh Road Hutton Brentwood Essex CM13 1PN |
|--------------------------|---|

| | |
|--------------------|--|
| Accountants | Haslers Chartered Accountants Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA |
|--------------------|--|

ARROW AUTOPARTS LIMITED**CONTENTS**

| | Page |
|-----------------------------------|-------------|
| Directors' report | 1 |
| Accountants' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 - 5 |
| Notes to the financial statements | 6 - 10 |

ARROW AUTOPARTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities

The company was incorporated on 18 January 2002 and commenced trading on 12 June 2002. The principal activity of the company is that of retailing car accessories and spares.

Directors

The following directors have held office since 18 January 2002:

| | |
|-------------------------------|--|
| A T Clarkin | (Appointed 5 February 2002) |
| J Hollis | (Appointed 5 February 2002) |
| Combined Nominees Limited | (Appointed 18 January 2002 and resigned 5 February 2002) |
| Combined Secretarial Services | (Appointed 18 January 2002 and resigned 5 February 2002) |

Directors' interests

The directors' interests in the shares of the company were as stated below:

| | Ordinary of £ 1 each | |
|-------------|----------------------|-----------------|
| | 31 March 2003 | 18 January 2002 |
| A T Clarkin | 1 | 1 |
| J Hollis | 1 | 1 |

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

On behalf of the board



A T Clarkin

Director

...6...2...04...

ARROW AUTOPARTS LIMITED**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
UNAUDITED ACCOUNTS OF ARROW AUTOPARTS LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2003, set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Haslers
Chartered Accountants

6 Feb 04
Johnston House
8 Johnston Road
Woodford Green
Essex IG8 0XA

ARROW AUTOPARTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

| | Notes | 2003 £ |
|--|-----------|------------------------|
| Turnover | | 168,519 |
| Cost of sales | | (79,087) |
| Gross profit | | <u>89,432</u> |
| Administrative expenses | | (128,956) |
| Operating loss | 2 | <u>(39,524)</u> |
| Interest payable and similar charges | 3 | (3,109) |
| Loss on ordinary activities before taxation | | <u>(42,633)</u> |
| Tax on loss on ordinary activities | 4 | - |
| Loss on ordinary activities after taxation | 10 | <u><u>(42,633)</u></u> |

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.

ARROW AUTOPARTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

| | Notes | 2003 £ | £ |
|--|-------|----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 5 | | 10,220 |
| Current assets | | | |
| Stocks | | 87,836 | |
| Debtors | 6 | 29,815 | |
| Cash at bank and in hand | | 10,995 | |
| | | <u>128,646</u> | |
| Creditors: amounts falling due within one year | 7 | (172,717) | |
| | | <u></u> | |
| Net current liabilities | | | (44,071) |
| Total assets less current liabilities | | | <u>(33,851)</u> |
| Creditors: amounts falling due after more than one year | 8 | | (8,780) |
| | | | <u>(42,631)</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | | 2 |
| Profit and loss account | 10 | | (42,633) |
| | | | <u></u> |
| Shareholders' funds - equity interests | 11 | | <u>(42,631)</u> |

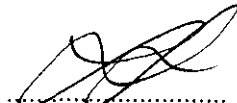
In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

ARROW AUTOPARTS LIMITED**BALANCE SHEET (CONTINUED)**
AS AT 31 MARCH 2003

The financial statements were approved by the Board on 6-2-04



J Hollis
Director

ARROW AUTOPARTS LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|----------------------|
| Fixtures, fittings & equipment | 25% Reducing balance |
| Motor vehicles | 25% Reducing balance |

1.4 Leasing

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 a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Stock

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

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

2 Operating loss

2003

£

Operating loss is stated after charging:

| | |
|---------------------------------|--------|
| Depreciation of tangible assets | 4,388 |
| Operating lease rentals | 19,000 |
| Directors' emoluments | 22,917 |

3 Interest payable

2003

£

Included in interest payable is the following amount:

| | |
|-----------------------|-------|
| Lease finance charges | 1,889 |
|-----------------------|-------|

ARROW AUTOPARTS LIMITED

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

4 Taxation

| | |
|--------------------|---|
| | £ |
| Current tax charge | - |

On the basis of these financial statements no provision has been made for corporation tax.

5 Tangible fixed assets

| | |
|-----------------------|----------------------------|
| | Plant and machinery etc |
| | £ |
| Cost | |
| At 18 January 2002 | - |
| Additions | 14,608 |
| | <hr/> |
| At 31 March 2003 | 14,608 |
| | <hr/> |
| Depreciation | |
| At 18 January 2002 | - |
| Charge for the year | 4,388 |
| | <hr/> |
| At 31 March 2003 | 4,388 |
| | <hr/> |
| Net book value | |
| At 31 March 2003 | 10,220 |
| | <hr/> |

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

| | |
|---|--------------------------------------|
| | Fixtures, fittings & equipment |
| | £ |
| Net book values | |
| At 31 March 2003 | 5,889 |
| | <hr/> |
| Depreciation charge for the year | |
| 31 March 2003 | 2,945 |
| | <hr/> |

ARROW AUTOPARTS LIMITED

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

| | |
|--|-----------------------|
| 6 Debtors | 2003 |
| | £ |
| Trade debtors | 12,410 |
| Other debtors | 17,405 |
| | <u>29,815</u> |
| | <u><u>29,815</u></u> |
| 7 Creditors: amounts falling due within one year | 2003 |
| | £ |
| Net obligations under finance leases | 1,629 |
| Trade creditors | 128,043 |
| Taxation and social security | 3,404 |
| Other creditors | 39,641 |
| | <u>172,717</u> |
| | <u><u>172,717</u></u> |
| 8 Creditors: amounts falling due after more than one year | 2003 |
| | £ |
| Net obligations under finance leases | 8,780 |
| | <u>8,780</u> |
| Net obligations under finance leases | |
| Repayable within one year | 1,629 |
| Repayable between one and five years | 8,780 |
| | <u>10,409</u> |
| Included in liabilities falling due within one year | (1,629) |
| | <u>8,780</u> |
| | <u><u>8,780</u></u> |

ARROW AUTOPARTS LIMITED

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

| | | |
|----------|---|-------------------|
| 9 | Share capital | 2003 |
| | | £ |
| | Authorised | |
| | 1,000 Ordinary of £ 1 each | 1,000 |
| | | <u> </u> |
| | Allotted, called up and fully paid | |
| | 2 Ordinary of £ 1 each | 2 |
| | | <u> </u> |

During the period, the company had allotted and issued two ordinary shares at par value.

| | | |
|-----------|--|--|
| 10 | Statement of movements on profit and loss account | Profit and loss account £ |
| | Retained loss for the year | (42,633) |
| | | <u> </u> |

| | | |
|-----------|---|-------------------|
| 11 | Reconciliation of movements in shareholders' funds | 2003 |
| | | £ |
| | Loss for the financial year | (42,633) |
| | Proceeds from issue of shares | 2 |
| | | <u> </u> |
| | Net depletion in shareholders' funds | (42,631) |
| | Opening shareholders' funds | - |
| | | <u> </u> |
| | Closing shareholders' funds | (42,631) |
| | | <u> </u> |

12 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

| | |
|----------------------------|-------------------------------|
| | Land and buildings |
| | 2003 |
| | £ |
| Expiry date: | |
| Between two and five years | 19,000 |
| | <u> </u> |

ARROW AUTOPARTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2003

13 Control

There is no ultimate controlling party.

14 Related party transactions

During the period, there were related party transactions with the following companies of which Mr A T Clarkin is a director and has an interest.

| | £ |
|--|---------|
| Namelock Limited | |
| Purchases | 22,092 |
| Amount due to Namelock Limited | 10,716 |
| Clarkins Car Accessories Limited | |
| Purchases | 101,578 |
| Amount due to Clarkins Car Accessories Limited | 99,681 |
| Technostart Limited | |
| Purchases | 2,747 |
| Amount due to Technostart Limited | 407 |