

COMPANY REGISTRATION NUMBER 2639256

**HENSTRIDGE ENGINEERING AND AUTOMOTIVE
DEVELOPMENTS LIMITED**

FINANCIAL STATEMENTS

30TH SEPTEMBER 2004

CHALMERS & CO

Chartered Accountants

McLaren House

5 Park Gardens

YEOVIL

Somerset



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**HENSTRIDGE ENGINEERING AND AUTOMOTIVE
DEVELOPMENTS LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

P. White
A. Hatcher

Company secretary

Miss C. Baker

Registered office

The Old Cinema
Henstridge Trading Estate
HENSTRIDGE
Somerset

Accountants

Chalmers & Co
Chartered Accountants
McLaren House
5 Park Gardens
YEOVIL
Somerset

Bankers

National Westminster Bank Plc
Market Cross
STURMINSTER NEWTON
Dorset

HENSTRIDGE ENGINEERING AND AUTOMOTIVE DEVELOPMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH SEPTEMBER 2004

The directors present their report and the unaudited financial statements of the company for the year ended 30th September 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year were those of light engineering and the manufacture and development of motor racing vehicles.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

| | | At | At |
|------------|----------------|-------------------|----------------|
| | Class of share | 30 September 2004 | 1 October 2003 |
| P. White | Ordinary | 90 | 90 |
| | Preference | 10 | 10 |
| A. Hatcher | Ordinary | 5 | 5 |
| | Preference | <u>—</u> | <u>—</u> |

SMALL COMPANY PROVISIONS

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

Registered office:
The Old Cinema
Henstridge Trading Estate
HENSTRIDGE
Somerset

Signed on behalf of the directors

Director
P. WHITE



Approved by the directors on the 21st July, 2005.

**HENSTRIDGE ENGINEERING AND AUTOMOTIVE
DEVELOPMENTS LIMITED**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH SEPTEMBER 2004

| | Note | 2004 £ | 2003 £ |
|---|------|-----------|-----------|
| TURNOVER | | 13,348 | 14,465 |
| Cost of sales | | 4,975 | 2,219 |
| GROSS PROFIT | | 8,373 | 12,246 |
| Administrative expenses | | 11,421 | 11,484 |
| OPERATING (LOSS)/PROFIT | 2 | (3,048) | 762 |
| Interest payable | | 368 | 391 |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (3,416) | 371 |
| Tax on (loss)/profit on ordinary activities | 4 | 700 | 250 |
| (LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR | | (4,116) | 121 |
| Balance brought forward | | (14,740) | (14,861) |
| Balance carried forward | | (18,856) | (14,740) |

HENSTRIDGE ENGINEERING AND AUTOMOTIVE DEVELOPMENTS LIMITED

BALANCE SHEET

30TH SEPTEMBER 2004

| | Note | 2004 £ | £ | 2003 £ | £ |
|--|------|---------------|------------------------|---------------|------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 4,192 | | 3,939 |
| CURRENT ASSETS | | | | | |
| Stocks | | 1,360 | | 1,360 | |
| Debtors | 6 | 401 | | 2,110 | |
| | | <u>1,761</u> | | <u>3,470</u> | |
| CREDITORS: Amounts falling due within one year | 7 | <u>17,375</u> | | <u>22,039</u> | |
| NET CURRENT LIABILITIES | | | (15,614) | | (18,569) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | (11,422) | | (14,630) |
| CREDITORS: Amounts falling due after more than one year | 8 | | <u>7,324</u> | | <u>—</u> |
| | | | <u>(18,746)</u> | | <u>(14,630)</u> |

The Balance sheet continues on the following page.

The notes on pages 6 to 8 form part of these financial statements.

HENSTRIDGE ENGINEERING AND AUTOMOTIVE DEVELOPMENTS LIMITED

BALANCE SHEET *(continued)*

30TH SEPTEMBER 2004

| | Note | 2004 £ | 2003 £ |
|--------------------------------|------|-----------------|-----------------|
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 10 | 110 | 110 |
| Profit and loss account | | (18,856) | (14,740) |
| DEFICIENCY | | <u>(18,746)</u> | <u>(14,630)</u> |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 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 the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 21st July, 2005 and are signed on their behalf by:

.....
P. WHITE



HENSTRIDGE ENGINEERING AND AUTOMOTIVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|---------------------|-----------------------------------|
| Fixtures & Fittings | - 25% p.a. reducing balance basis |
| Motor Vehicles | - 25% p.a. reducing balance basis |

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

| | 2004 | 2003 |
|--|-------------------|-------------------|
| | £ | £ |
| Depreciation of owned fixed assets | 1,397 | 1,004 |
| Depreciation of assets held under hire purchase agreements | — | 309 |
| | <u> </u> | <u> </u> |

HENSTRIDGE ENGINEERING AND AUTOMOTIVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2004

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | 2004 £ | 2003 £ |
|----------------------|--------------|--------------|
| Aggregate emoluments | <u>4,680</u> | <u>4,615</u> |

4. TAXATION ON ORDINARY ACTIVITIES

| | 2004 £ | 2003 £ |
|------------------------------------|------------|------------|
| Current tax: | | |
| Over/under provision in prior year | <u>700</u> | <u>250</u> |
| Total current tax | <u>700</u> | <u>250</u> |

5. TANGIBLE FIXED ASSETS

| | Fixtures, Fittings Tools & Equipment £ | Motor Vehicles £ | Total £ |
|------------------------|--|------------------------|---------------|
| COST | | | |
| At 1st October 2003 | 12,596 | 800 | 13,396 |
| Additions | <u>1,650</u> | <u>-</u> | <u>1,650</u> |
| At 30th September 2004 | <u>14,246</u> | <u>800</u> | <u>15,046</u> |
| DEPRECIATION | | | |
| At 1st October 2003 | 8,691 | 766 | 9,457 |
| Charge for the year | <u>1,389</u> | <u>8</u> | <u>1,397</u> |
| At 30th September 2004 | <u>10,080</u> | <u>774</u> | <u>10,854</u> |
| NET BOOK VALUE | | | |
| At 30th September 2004 | <u>4,166</u> | <u>26</u> | <u>4,192</u> |
| At 30th September 2003 | <u>3,905</u> | <u>34</u> | <u>3,939</u> |

6. DEBTORS

| | 2004 £ | 2003 £ |
|---------------|------------|--------------|
| Trade debtors | <u>401</u> | <u>2,110</u> |

HENSTRIDGE ENGINEERING AND AUTOMOTIVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2004

7. CREDITORS: Amounts falling due within one year

| | 2004 | 2003 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 2,907 | 3,847 |
| Trade creditors | 298 | 1,077 |
| Other taxation | 492 | 2,241 |
| Other creditors | 13,678 | 14,874 |
| | <u>17,375</u> | <u>22,039</u> |

At the year end the Company owed P.White £9,488 (2003 £9,377).

8. CREDITORS: Amounts falling due after more than one year

| | 2004 | 2003 |
|---------------------------|--------------|----------|
| | £ | £ |
| Bank loans and overdrafts | <u>7,324</u> | <u>-</u> |

9. RELATED PARTY TRANSACTIONS

The company was under the control of Mr P White throughout the current and previous year. Mr P White is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

10. SHARE CAPITAL

Authorised share capital:

| | 2004 | 2003 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| 1,900 Ordinary shares of £1 each | 1,900 | 1,900 |
| 100 Preference shares of £1 each | 100 | 100 |
| | <u>2,000</u> | <u>2,000</u> |

Allotted, called up and fully paid:

| | 2004 | | 2003 | |
|------------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| Preference shares of £1 each | 10 | 10 | 10 | 10 |
| | <u>110</u> | <u>110</u> | <u>110</u> | <u>110</u> |

The preference shares have the same voting rights as the ordinary shares, and have priority on the repayment of capital on the winding up of the Company. Dividends payable on these shares are payable at a rate determined by the shareholders.