

HURLEYHOUSE (CARS) LIMITED

ANNUAL REPORT AND ACCOUNTS

For the year ended

30 November 2002



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Company number: 3132299

HURLEYHOUSE (CARS) LIMITED

DIRECTORS' REPORT

The Directors present their report together with the accounts for the year ended 30 November 2002

PRINCIPAL ACTIVITY

The principal activity of the company is that of purchase and sale of cars, and car repairs.

DIRECTORS

The following served as directors during the year, and had interests in the £1 ordinary shares of the company at the beginning and the end of the financial year:

	Ordinary shares of £ 1 each	
	2002	2001
W Morgan	4,500	4,500
M Thomas	1,000	1,000
M Hulme	4,500	4,500
T Pell (appointed 22 April 2002)	<u>4,500</u>	<u>-</u>

DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare accounts for each financial year which give a true and fair view of the state of 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; and
- prepare financial statements on a 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 accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

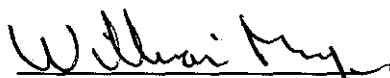
AUDITORS

The auditors, I F McGregor & Co Chartered Accountants are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 2nd December 1999.

SPECIAL PROVISIONS RELATING TO SMALL COMPANIES.

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

By Order of the Board:


W Morgan
Director

Date: 13-3-03

HURLEYHOUSE (CARS) LIMITED

AUDITOR'S REPORT TO THE SHAREHOLDERS OF HURLEYHOUSE (CARS) LIMITED

We have audited the accounts on pages 4 to 8, which have been prepared in accordance with Financial Reporting Standard for Smaller Entities (effective June 2002) under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' report. 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 consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit. This report is made solely to the company's members in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed. We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements in it.

BASIS OF 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 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 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 statements.

OPINION

In our opinion, the accounts give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its profit for the year then ended and are properly prepared in accordance with the Companies Act 1985, applicable to small companies.

I + M Grogan
I F McGregor & Co

Date: *18 March 2003*

Chartered Accountants, Registered Auditors
Ashford Lodge, Cypress Court, Hazelwood Road, Bristol
Page 3

HURLEYHOUSE (CARS) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 30 November 2002**

	Notes	2002 £	2001 £
TURNOVER	2	1,540,029	1,156,059
Cost of sales		<u>1,347,394</u>	<u>1,068,301</u>
GROSS PROFIT		192,635	87,758
Administrative expenses		<u>177,051</u>	<u>83,677</u>
OPERATING PROFIT		15,584	4,081
Interest payable & similar charges		<u>6,332</u>	<u>3,721</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	9,252	360
Tax on result from ordinary activities	5	<u>252</u>	<u>(2,577)</u>
PROFIT FOR THE FINANCIAL YEAR		9,000	2,937
Dividends		<u>-</u>	<u>9,500</u>
RETAINED PROFIT for the year		9,000	(6,563)
Balance brought forward		<u>(2,029)</u>	<u>4,534</u>
Balance carried forward	£	<u>6,971</u>	<u>(2,029)</u>

There are no other gains or losses other than the above profit for the year.
All of the company's operations are classed as continuing.

HURLEYHOUSE (CARS) LIMITED

BALANCE SHEET as at 30 November 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	6	16,891	596
CURRENT ASSETS			
Stock		79,484	84,241
Debtors	7	<u>5,813</u>	<u>250</u>
		85,297	84,491
CURRENT LIABILITIES			
Creditors, due within one year	8	<u>73,217</u>	<u>77,116</u>
NET CURRENT ASSETS		<u>12,080</u>	<u>7,375</u>
NET ASSETS	£	<u>28,971</u>	<u>7,971</u>
CAPITAL AND RESERVES			
Called up share capital	9	14,500	10,000
Share premium account		7,500	-
Profit and loss account		<u>6,971</u>	<u>(2,029)</u>
SHAREHOLDERS FUNDS	£	<u>28,971</u>	<u>7,971</u>

The directors are responsible for keeping accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the company as at the end of its financial year and of its profit & loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies ACT 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

Approved on behalf of the Board by:

Trevor Pell
T Pell
Director

Date: 13/3/03

HURLEYHOUSE (CARS) LIMITED

Notes to the accounts for the year ended

30 November 2002

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their useful lives.

Plant & equipment - 25% reducing balance

(c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the profits and the results as stated in the financial statements that arise from the inclusion of gains & losses in tax assessments in periods different from those in which they are recognised in the financial statements.

(d) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to prevailing market rate is shorter than the full lease term, in which case the shorter term is used.

2 TURNOVER

Turnover is stated as gross sales earned during the year after deduction of discounts excluding value added tax. The turnover is attributable to the principal activity and is within the UK.

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002	2001
	£	£
This is stated after charging:		
Depreciation	5,631	199
Auditor's remuneration	<u>500</u>	<u>500</u>

4 DIRECTORS' EMOLUMENTS

Directors' emoluments (including benefits)	<u>53,896</u>	<u>26,777</u>
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HURLEYHOUSE (CARS) LIMITED

Notes to the accounts for the year ended

30 November 2002

5 TAX ON RESULT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Current taxation:		
UK corporation tax liability at current rates	210	42
Deferred tax	-	-
Amount paid/recovered for prior year	<u>42</u>	<u>(2,619)</u>
	<u>252</u>	<u>(2,577)</u>

6 TANGIBLE FIXED ASSETS

	Plant and equipment	Total
	£	£
Cost:		
As at 1 December 2001	1,298	1,298
Additions in the year	21,926	21,926
Disposals in the year	<u>-</u>	<u>-</u>
As at 30 November 2002	23,224	23,224
Depreciation:		
As at 1 December 2001	702	702
Charged in the year	5,631	5,631
Disposals in the year	<u>-</u>	<u>-</u>
As at 30 November 2002	6,333	6,333
Net book value:		
As at 1 December 2001	<u>596</u>	<u>596</u>
As at 30 November 2002	<u>16,891</u>	<u>16,891</u>

7 DEBTORS

	2002	2001
	£	£
Trade Debtors	5,406	-
Other debtors	<u>407</u>	<u>250</u>
	<u>5,813</u>	<u>250</u>

HURLEYHOUSE (CARS) LIMITED

Notes to the accounts for the year ended

30 November 2002

8 CREDITORS, due within one year

	2002	2001
	£	£
Bank overdraft & loans	29,411	62,737
Corporation Tax	252	42
Directors Loan account	78	3,078
Trade Creditors	24,503	3,653
Social security and other taxes	14,896	5,560
Other creditors	<u>4,077</u>	<u>2,046</u>
	<u>73,217</u>	<u>77,116</u>

Bank overdraft & loans are secured on assets of the company.

9 SHARE CAPITAL

Authorised ordinary shares of £1 each	10,000	100
Increase in authorised during the year	<u>10,000</u>	<u>9,900</u>
Balance at end of the year	<u>20,000</u>	<u>10,000</u>
Allotted, issued & fully paid ordinary shares	10,000	100
Increase during the year	<u>4,500</u>	<u>9,900</u>
Balance at end of the year	<u>14,500</u>	<u>10,000</u>

10 OTHER FINANCIAL COMMITMENTS

At year end, the company had commitments under non-cancellable operating leases due as follows:

Expiring :	2-5 years	Over 5 years
£	4,399	159,424

11 RELATED PARTY TRANSACTIONS & CONTROL

The company purchased cars from a business controlled by Mr Hulme, a director of the company. This amounted to £449,979 (2001-£338,693) and is included under cost of sales in the Profit & Loss account.

The directors have provided personal guarantees for the bank and loan facilities.

12 CONTROLLING PARTY

The company is controlled by the directors as a result of owning 100% of the issued Ordinary share capital.