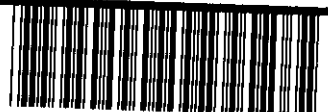


CHEVRONCIRCLE LIMITED

REGISTERED NUMBER : 1658911

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 2002**

Fox Evans
Chartered Accountants
Abbey House
Manor Road
Coventry



A33 *A19U9PLF* 0546
COMPANIES HOUSE 29/10/03
A43 *AE3MYPPF* 0505
COMPANIES HOUSE 28/10/03

CHEVRONCIRCLE LIMITED

DIRECTORS	I.E. Jones M. Jones
SECRETARY	M. Jones
REGISTERED OFFICE	3 Welton Road Wedgenock Industrial Estate Warwick CV34 5PZ
REGISTERED NUMBER	1658911
REGISTERED AUDITORS	Fox Evans Chartered Accountants Abbey House Manor Road Coventry CV1 2FW
BANKERS	Midland Bank Plc 11 High Street Warwick CV34 4AS

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CHEVRONCIRCLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their annual report together with the financial statements for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of building contractors.

REVIEW OF BUSINESS

A summary of the results of the year's trading is given on page 5 of the accounts. The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend a dividend to be paid, which leaves a profit of £1,446 to be transferred to reserves.

FIXED ASSETS

The changes in the fixed assets of the company are as shown in note 6 to the accounts.

DIRECTORS AND THEIR SHAREHOLDINGS

The directors in office in the year and their beneficial interests in the shares of the company were as follows:

	<u>31st December 2002</u>	<u>31st December 2001</u>
I.E. Jones	1	1
M. Jones	-	-

The directors' interests in the holding company were as follows:

I.E. Jones	296,667	296,667
M. Jones	83,333	83,333

The director retiring by rotation is M. Jones who, being eligible, offers herself for re-election.

POST BALANCE SHEET EVENTS

All events after the balance sheet date which have a material effect on the accounts are shown in note 15 to the accounts.

AUDITORS

The auditors, Fox Evans will be proposed for re-appointment in accordance with S385 of the Companies Act 1985.

Signed on behalf of the
Board of Directors

M. Jones

M. Jones
Secretary

Approved by the Board: 4th April 2003

CHEVRONCIRCLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires us as directors to prepare financial statements 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 we are required to

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

Signed on behalf of the
Board of Directors

..... M Jones

M. Jones
Secretary

Approved by the Board: 4th April 2003

INDEPENDENT AUDITORS' REPORT**TO THE SHAREHOLDERS OF CHEVRONCIRCLE LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of 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 the 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 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 financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


FOX EVANS

Chartered Accountants
Registered Auditors

Abbey House
Manor Road
Coventry
CV1 2FW

4th April 2003

CHEVRONCIRCLE LIMITED**PROFIT & LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Notes	2002 £	2001 £
TURNOVER	2	251,096	<i>210,002</i>
Cost of Sales		241,326	<i>197,507</i>
GROSS PROFIT		9,770	<i>12,495</i>
Distribution Costs		1,660	<i>2,172</i>
Administrative Expenses		6,624	<i>6,514</i>
		8,284	<i>8,686</i>
OPERATING PROFIT	3	1,486	<i>3,809</i>
Interest Payable		1	<i>(1)</i>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		1,485	<i>3,810</i>
Taxation	5	39	<i>443</i>
PROFIT FOR FINANCIAL YEAR		1,446	<i>3,367</i>
Dividends Paid		-	<i>200,000</i>
RETAINED PROFIT/LOSS FOR THE YEAR		1,446	<i>(196,633)</i>
Retained Profits brought forward		9,594	<i>206,227</i>
RETAINED PROFITS CARRIED FORWARD		11,040	<i>9,594</i>

The only recognised gain for the year is the profit for the year of £1,446 (2001 £(196,633)). There were no acquisitions and no discontinued operations in the year.

The annexed notes form part of these financial statements.

CHEVRONCIRCLE LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible Assets	6	1,164	1,566
CURRENT ASSETS			
Stocks	7	40,322	58,893
Debtors	8	147,005	63
Cash at Bank and in Hand	9	160	113
		<u>187,487</u>	<u>59,069</u>
CREDITORS			
Amounts due within one year	10	<u>177,511</u>	<u>50,941</u>
NET CURRENT ASSETS		9,976	8,128
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,140</u>	<u>9,694</u>
CAPITAL AND RESERVES			
Called Up Share Capital	11	100	100
Profit and Loss Account	12	11,040	9,594
SHAREHOLDERS' FUNDS		<u>11,140</u>	<u>9,694</u>

Signed on behalf of the Board of Directors

I.E. Jones

 I.E. Jones
 Director

M. Jones

 M. Jones
 Director

Approved by the Board: 4th April 2003

The annexed notes form part of these financial statements.

CHEVRONCIRCLE LIMITED**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002**

1. ACCOUNTING POLICIES**a. Basis of Accounting**

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

b. Turnover

The turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities exclusive of value added tax.

c. Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their anticipated useful life in equal annual instalments at the following rates :

Motor Vehicles	20%
Other Assets	10%

d. Stocks

Stocks and work-in-progress are valued on a first-in, first-out basis at the lower of cost or net realisable value. In respect of finished goods and work-in-progress, cost includes direct materials and labour with addition of appropriate overheads. Net realisable value is based on an estimated selling price less further costs expected to be incurred to completion and disposal.

e. Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallize in the foreseeable future.

f. Leased Assets

Rentals paid under operating leases are charged to the profit and loss account in the period in which they are incurred. Assets held under finance leases are capitalised and depreciated over their expected useful life. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

CHEVRONCIRCLE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

2. TURNOVER

All the company's turnover was derived from its principal activity and the analysis was as follows:

	2002 £	2001 £
United Kingdom	251,094	-

3. OPERATING PROFIT

This is stated after charging:

	2002 £	2001 £
Audit Fee	1,000	1,000
Depreciation of Tangible Fixed Assets	402	406
Hire of Plant and Machinery	5,167	1,641

The remuneration paid to Directors was :-

	2002 £	2001 £
Emoluments	-	-

4. STAFF COSTS

	2002 £	2001 £
Wages and Salaries	62,720	61,463
Social Security Costs	5,836	5,750
	68,556	67,213

	2002 Number	2001 Number
The average weekly number of employees during the year was as follows	5	5

5. TAXATION

	2002 £	2001 £
Tax on profit on ordinary activities at various rates.		
Corporation Tax	38	443

CHEVRONCIRCLE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

6. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Total
	£	£	£	£
COST OR VALUATION				
At 1st January 2002	1,800	4,543	-	6,343
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st December 2002	1,800	4,543	-	6,343
DEPRECIATION				
At 1st January 2002	540	4,237	-	4,777
On Disposals	-	-	-	-
Charge for the Year	360	42	-	402
At 31st December 2002	900	4,279	-	5,179
NET BOOK VALUE				
At 31st December 2002	900	264	-	1,164
At 31st December 2001	1,260	306	-	1,566

7. STOCKS

	2002 £	2001 £
Work in Progress	38,322	56,893
Tools	2,000	2,000
	<u>40,322</u>	<u>58,893</u>

8. DEBTORS

	2002 £	2001 £
Amounts due within one year:-		
Amounts Owed by Group Companies	146,940	-
Prepayments	65	63
	<u>147,005</u>	<u>63</u>

CHEVRONCIRCLE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

9. CASH AT BANK AND IN HAND	2002	2001
	£	£
Cash	160	113

10. CREDITORS	2002	2001
	£	£
a.Amounts due within one year:-		
Bank Overdraft	162,104	19,867
Trade Creditors	10,604	9,099
Amounts Owed to Group Companies	-	5,653
Corporation Tax	38	363
Other Tax and Social Security	2,900	2,631
Accruals	1,865	13,328
	177,511	50,941

The bank borrowings are secured by a fixed charge over book and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets, together with a guarantee by group companies.

11. SHARE CAPITAL	2002	2001
	£	£
Authorised		
Ordinary Shares of £1 each	100	100
Allotted, Called Up and Fully Paid		
Ordinary Shares of £1 each	100	100

CHEVRONCIRCLE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

12. SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the Year	1,446	3,367
Dividends	-	(200,000)
Net addition to shareholders' funds	1,446	(196,633)
Opening Shareholders' Funds	9,694	206,327
Closing Shareholders' Funds	11,140	9,694

13. COMMITMENTS

There were no capital commitments at the balance sheet date.

14. CONTINGENT LIABILITIES

There were no pending legal actions, guarantees, materialised damages, or any other contingent liabilities at the balance sheet

15. POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date which will have a material effect on the financial statements of the company to that date.

16. RELATED PARTY TRANSACTIONS

During the year, the company carried out work for Coventry Turned Parts Limited, its parent company, to a value of **£111,349** (2001-£70,000).

During the year, the company carried out work for Mr & Mrs I.E. Jones, to a value of **£33,745** (2001-£140,000).

During the year, the company carried out work for Mr & Mrs Patten, daughter and son in law of Mr & Mrs I.E. Jones, to a value of **£106,000** (2001-£0).

At the balance sheet date, the company is owed **£146,940** (2001-£5,653 Creditor), by Coventry Turned Parts Limited.

All Transactions were on a normal commercial basis.

17. ULTIMATE HOLDING COMPANY

The ultimate holding company is regarded as Coventry Turned Parts Limited, a company incorporated in England.