

CHEVRONCIRCLE LIMITED

REGISTERED NUMBER : 1658911

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 2001**

Fox Evans
Chartered Accountants
Abbey House
Manor Road
Coventry



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

CONTENTS

Page

Directors Report	2
Statement of Directors Responsibilities	3
Auditors Report	4
Profit & Loss Account	5
Balance Sheet	6
Notes to the Accounts	7 to 11

The following pages do not form part of the Statutory Accounts

Detailed Trading and Profit & Loss Account	12
Schedule of Cost of Sales & Expenses	13

CHEVRONCIRCLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors present their annual report together with the financial statements for the year ended 31st December 2001.

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 recommend a dividend of £200,000, which leaves a loss of £196,633 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 2001</u>	<u>31st December 2000</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 I.E. Jones who, being eligible, offers himself 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: 10th May 2002

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: 10th May 2002

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.

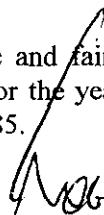
BASIS OF OPINION

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 2001, 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

10th May 2002

CHEVRONCIRCLE LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001 £	2000 £
TURNOVER	2	210,000	300,654
Cost of Sales		197,505	286,442
GROSS PROFIT		12,495	14,212
Distribution Costs		2,172	1,425
Administrative Expenses		6,514	10,567
		8,686	11,992
OPERATING PROFIT	3	3,809	2,220
Income from Investments		-	1,116
Interest Payable		(1)	(2)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		3,810	3,338
Taxation	5	443	3,152
PROFIT FOR FINANCIAL YEAR		3,367	186
Dividends Paid		200,000	-
RETAINED LOSS/PROFIT FOR THE YEAR 10		(196,633)	186
Retained Profits brought forward		206,227	206,041
RETAINED PROFITS CARRIED FORWARD		9,594	206,227

The only recognised gain for the year is the profit for the year of £(196,633) (2000 £186). There were no acquisitions and no discontinued operations in the year.

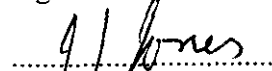
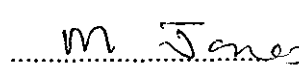
The annexed notes form part of these financial statements.

CHEVRONCIRCLE LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible Assets	6	1,566	472
CURRENT ASSETS			
Stocks	7	58,893	62,000
Debtors	8	63	189,138
Cash at Bank and in Hand	9	113	230
		<u>59,069</u>	<u>251,368</u>
CREDITORS			
Amounts due within one year	10	<u>50,941</u>	<u>45,513</u>
NET CURRENT ASSETS		8,128	205,855
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,694</u>	<u>206,327</u>
CAPITAL AND RESERVES			
Called Up Share Capital	11	100	100
Profit and Loss Account	12	9,594	206,227
SHAREHOLDERS' FUNDS		<u>9,694</u>	<u>206,327</u>

Signed on behalf of the Board of Directors


I.E. Jones
Director

M. Jones
Director

Approved by the Board: 10th May 2002

The annexed notes form part of these financial statements.

CHEVRONCIRCLE LIMITED**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001**

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 2001

2. TURNOVER

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

	2001 £	2000 £
United Kingdom	<u>210,000</u>	<u>300,655</u>

3. OPERATING PROFIT

2001 £	2000 £
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This is stated after charging:

Audit Fee	1,000	1,000
Depreciation of Tangible Fixed Assets	406	516
Hire of Plant and Machinery	<u>1,641</u>	<u>2,050</u>

The remuneration paid to Directors was :-

Emoluments	<u>-</u>	<u>-</u>
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4. STAFF COSTS

	2001 £	2000 £
Wages and Salaries	61,463	71,605
Social Security Costs	<u>5,750</u>	<u>6,868</u>
	<u>67,213</u>	<u>78,473</u>

	2001 Number	2000 Number
The average weekly number of employees during the year was as follows	<u>3</u>	<u>4</u>

5. TAXATION

	2001 £	2000 £
Tax on profit on ordinary activities at various rates.		
Corporation Tax	<u>443</u>	<u>3,152</u>

CHEVRONCIRCLE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

6. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Total
	£	£	£	£
COST OR VALUATION				
At 1st January 2001	800	4,543	-	5,343
Additions	1,500	-	-	1,500
Disposals	(500)	-	-	(500)
At 31st December 2001	1,800	4,543	-	6,343
DEPRECIATION				
At 1st January 2001	680	4,191	-	4,871
On Disposals	(500)	-	-	(500)
Charge for the Year	360	46	-	406
At 31st December 2001	540	4,237	-	4,777
NET BOOK VALUE				
At 31st December 2001	1,260	306	-	1,566
At 31st December 2000	120	352	-	472

7. STOCKS

	2001 £	2000 £
Work in Progress	56,893	60,000
Tools	2,000	2,000
	<u>58,893</u>	<u>62,000</u>

8. DEBTORS

	2001 £	2000 £
Amounts due within one year:-		
Trade Debtors	-	2,462
Amounts Owed by Group Companies	-	186,388
Prepayments	63	288
	<u>63</u>	<u>189,138</u>

CHEVRONCIRCLE LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

9. CASH AT BANK AND IN HAND	2001 £	2000 £
Cash	113	230
10. CREDITORS	2001 £	2000 £
Amounts due within one year:-		
Bank Overdraft	19,867	23,270
Trade Creditors	9,099	15,262
Amounts Owed to Group Companies	5,653	-
Corporation Tax	363	182
Other Tax and Social Security	2,631	3,069
Accruals	13,328	3,730
	50,941	45,513

The bank borrowings are secured by a fixed charge over book & 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	2001 £	2000 £
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 2001

12. SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the Year	3,367	186
Dividends	(200,000)	-
Other recognised gains and losses	-	-
Net addition to shareholders' funds	(196,633)	186
Opening Shareholders' Funds	206,327	206,143
Closing Shareholders' Funds	9,694	206,327

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 £70,000 (2000:£0).

During the year, the company carried out work for Mr & Mrs I.E. Jones, to a value of £140,000 (2000:£210,000).

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.