

**TIPPETTS MOTORS (SURBITON) LTD**

**Financial Statements**

**31 August 2003**

**Company No: 00634990**



**TIPPETTS MOTORS (SURBITON) LIMITED**

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**TIPPETTS MOTORS (SURBITON) LIMITED  
REPORT OF THE DIRECTORS**

The directors submit their report and the accounts of the company for the year ended 31 August 2003.

**DIRECTORS RESPONSIBILITIES**

The directors are required by law to prepare financial statements for each financial year 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 the profit or loss and total recognised gains or losses of the company for that period. The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 August 2003. The directors also confirm their responsibility to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is the sale and service of motorcycles and accessories.

**RESULTS AND DIVIDENDS**

The results for the year and the financial position of the company are shown in the annexed accounts.

The loss for the year before taxation was £125732 (2002: loss £42082).

The directors recommend payment of a final dividend of £Nil (2002: £Nil) per share.

**REVIEW OF THE BUSINESS**

The company's performance for the year was satisfactory given difficult trading conditions.

Margins continue to be tightened but balanced by an increase in performance bonuses, computed as a percentage of unit sales of Honda products.

The directors will be closely monitoring margins and expect the company to return to profitability next year.

The position of the company at the year end is considered satisfactory.

**TIPPETTS MOTORS (SURBITON) LIMITED**  
**REPORT OF THE DIRECTORS (Continued)**

**DIRECTORS - INTEREST IN SHARES**

The directors who served during the year and their respective interests (including family interests) in the shares of the company at the balance sheet date were as follows:

	Ordinary £1 Shares	
	31.8.03	31.8.02
R M Alexander	53	53
M A Alexander	37	37
J D Wheeler	-	-
C Wheeler	-	-
R Watson	-	-

**CLOSE COMPANY**

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

**AUDITORS**

A resolution to reappoint Alvis & Company in accordance with Section 384(1) Companies Act 1985 will be proposed at the Annual General Meeting.

Date 28<sup>th</sup> JUNE 2004

BY ORDER OF THE BOARD



Director/Secretary

**Registered Office:**

312/320 Ewell Road  
 Tolworth  
 Surbiton  
 Surrey KT6 7AW

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TIPPETTS MOTORS (SURBITON) LIMITED**

We have audited the financial statements of Tippetts Motors (Surbiton) Limited for the year ended 31 August 2003 which comprise Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit 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 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 31 August 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered auditors:

  
ALVIS & COMPANY (ACCOUNTANTS) LTD  
Milton House  
33A Milton Road  
Hampton  
Middlesex TW12 2LL

Date 29 June 2004

**TIPPETTS MOTORS (SURBITON) LIMITED****Profit and loss account  
for the year ended 31 August 2003**

	<b>Notes</b>	<b>2003 £</b>	<b>2002 £</b>
<b>TURNOVER</b>	1d	3130354	3460900
Cost of Sales		(2821232)	(3129204)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		309122	331696
Administrative costs		(599430)	(553835)
		<hr/>	<hr/>
Other operating income		(290308)	(222139)
		155435	167626
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	2	(134873)	(54513)
Interest payable less receivable	3	9141	12431
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(125732)	(42082)
Taxation	7	-	-
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(125732)	(42082)
Dividends	8	-	-
		<hr/>	<hr/>
<b>RETAINED LOSS FOR THE YEAR</b>		(125732)	(42082)
<b>RETAINED PROFIT AT BEGINNING OF YEAR</b>		991261	1033343
		<hr/>	<hr/>
<b>RETAINED PROFIT AT END OF YEAR</b>		865529	991261
		<hr/>	<hr/>

The company's turnover and operating profit was generated from continuing activities.

The company has no recognised gains or losses other than the profits shown above, and therefore no separate statement of total recognised gains or losses has been presented.

The attached notes form an integral part of these accounts.


## TIPPETTS MOTORS (SURBITON) LIMITED

Balance sheet  
as at 31 August 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Intangible goodwill		5000	5000
Tangible fixed assets	9	89160	92680
<b>CURRENT ASSETS</b>			
Stock & work in progress	10	675782	669142
Debtors	11	224415	350802
Cash at bank & in hand		398750	453471
		<hr/>	<hr/>
		1298947	1473415
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS:</b> Amounts falling due within one year	12	(527478)	(579734)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		771469	893681
		<hr/>	<hr/>
<b>NET ASSETS</b>		865629	991361
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account	14	865529	991261
		<hr/>	<hr/>
		865629	991361
		<hr/>	<hr/>

Approved by the Board

  
R M ALEXANDER

  
.....) Directors  
M A ALEXANDER

28<sup>th</sup> JUNE 2004 Date

The attached notes form an integral part of these accounts.

**TIPPETTS MOTORS (SURBITON) LIMITED****Cash flow statement  
for the year ended 31 August 2003**

	<b>2003 £</b>	<b>2002 £</b>
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	(62355)	47668
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		
Interest paid	(59)	-
Interest element of finance lease rental payments	-	-
Interest received	9200	12431
	<hr/>	<hr/>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS &amp; SERVICING OF FINANCE</b>	9141	12431
<b>TAXATION</b>		
Corporation tax & ACT	-	(27520)
<b>CAPITAL EXPENDITURE &amp; FINANCIAL INVESTMENT</b>		
Payments to acquire fixed assets	(1507)	(15995)
Proceeds from sales of fixed assets	-	48500
	<hr/>	<hr/>
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>	(1507)	32505
<b>EQUITY DIVIDENDS PAID</b>	-	(70000)
	<hr/>	<hr/>
<b>NET CASH OUTFLOW BEFORE FINANCING</b>	(54721)	(4916)
<b>FINANCING</b>		
Capital element of finance lease rental payments	-	-
	<hr/>	<hr/>
<b>DECREASE IN CASH</b>	(54721)	(4916)
	<hr/>	<hr/>



## TIPPETTS MOTORS (SURBITON) LIMITED

Cash flow statement (continued)  
For the year ended 31 August 2003

	2003 £	2002 £
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>		
Operating loss:	(134873)	(54513)
Depreciation	5027	5090
Profit/(loss) on disposal of fixed assets	-	10501
(Increase)/decrease in stock	(6640)	116531
(Increase)/decrease in debtors	126387	(113732)
Increase/(decrease) in creditors	(52256)	83791
	<hr/>	<hr/>
	(62355)	47668
	<hr/>	<hr/>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS:</b>		
(Decrease)/increase in cash for the period	(54271)	(4916)
Capital element of financial lease rental payments	-	-
	<hr/>	<hr/>
Changes in net funds	(54721)	(4916)
New finance leases	-	-
Net funds at 1 September 2002	453471	458387
	<hr/>	<hr/>
Net funds at 31 August 2003	398750	453471
	<hr/>	<hr/>

## ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/02	Cash flow	Other Changes	At 31/8/03
Cash in hand	453471	(54721)	-	398750
Finance leases	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	453471	(54721)	-	398750
	<hr/>	<hr/>	<hr/>	<hr/>

# TIPPETTS MOTORS (SURBITON) LIMITED

## Notes to the accounts for the year ended 31 August 2003

### 1. ACCOUNTING POLICIES

#### a) Basis of Accounting

The accounts have been prepared in accordance with the Companies Act 1985, as amended, and with applicable Accounting Standards.

#### b) Depreciation

Depreciation is calculated to write off the cost of the fixed assets, over their estimated useful lives on the following basis:

Plant & machinery	-	25% reducing balance
Motor vehicles	-	20% straight line
Freehold land & buildings	-	1% straight line

#### c) Stocks

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

#### d) Turnover

Turnover represents the amounts received or receivable for goods and services provided to customers, excluding VAT.

#### e) Deferred Taxation

Deferred taxation is provided for liabilities that may crystallise in the future, using the liability method.

#### f) Leasing (and hire purchase contracts) – where an asset is financed by an arrangement that gives rights approximating to ownership ("finance lease") the asset is treated as if it had been purchased outright. The amount capitalised and included in tangible fixed assets is the present value of the minimum payments due under the arrangement. The corresponding commitment is included as an obligation under finance leases.

Depreciation of such assets is charged to profit and loss account in accordance with the company's normal depreciation policies. Payments are treated as consisting of capital and interest and the interest element is charged to profit and loss account using the straight line method.

Payments under an arrangement which is in substance of a rental nature ("operating lease") are charged to profit and loss account on a straight line basis over the operating lease term.

### 2. OPERATING LOSS

This is stated after charging:

Auditors remuneration:

Audit fee - current year  
              - non-audit work

Depreciation

2003 £	2002 £
4000	4000
7965	6000
5027	5090
<hr/>	<hr/>

## TIPPETTS MOTORS (SURBITON) LIMITED

Notes to the accounts (continued)  
for the year ended 31 August 2003

	2003 £	2002 £
<b>3. INTEREST PAYABLE LESS RECEIVABLE</b>		
Interest payable:		
Interest on overdraft	59	-
Interest element of finance leases	-	-
Other interest payable	-	-
	<hr/>	<hr/>
	59	-
Interest receivable		
Short term deposits	9200	12431
	<hr/>	<hr/>
	(9141)	(12431)
	<hr/>	<hr/>
<b>4. DIRECTORS EMOLUMENTS</b>		
Remuneration	110257	108186
Pension contributions	21983	-
	<hr/>	<hr/>
	132240	108186
	<hr/>	<hr/>
<b>5. ADDITIONAL INFORMATION RELATING TO EMPLOYEES (including directors)</b>		
Staff costs during the year amounted to:		
Wages and salaries	349483	330937
Social security costs	33597	33113
Pension costs	30675	-
	<hr/>	<hr/>
	413755	364050
	<hr/>	<hr/>
The average monthly number of employees during the year including directors was:	17	17
	<hr/>	<hr/>
<b>6. PENSION CONTRIBUTIONS</b>		
Pension contributions for both directors and employees were paid into a defined contribution scheme. There were no prepaid or outstanding contributions at the balance sheet date.		

## TIPPETTS MOTORS (SURBITON) LIMITED

Notes to the accounts (continued)  
for the year ended 31 August 2003

for the year ended 31 August 2003

	2003 £	2002 £		
<b>7. TAXATION</b>				
Tax on profit on ordinary activities	-	-		
Tax assessed for the year ended 31 August 2003, is lower than the standard rate of corporation tax in the UK at 30%				
The differences are explained below:-				
Profit on ordinary activities before tax	-	-		
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 30%	-	-		
Effects of:				
Expenses not deductible for tax purposes	-	-		
Capital allowances for year in excess of depreciation	-	-		
Marginal taxation relief	-	-		
<b>8. DIVIDENDS</b>				
Interim paid £nil per share	-	-		
Final paid £Nil (2002: £Nil) per share	-	-		
<b>9. TANGIBLE FIXED ASSETS</b>				
	<b>Plant &amp; Machinery</b>	<b>Motor Vehicles</b>	<b>Freehold Land &amp; Buildings</b>	<b>Total</b>
<b>Cost</b>				
As at 1.9.02	153423	12232	88500	254155
Additions	1507	-	-	1507
Disposals	-	-	-	-
As at 31.8.03	154930	12232	88500	255662
<b>Depreciation</b>				
At 1.9.02	148149	9786	3540	161475
Charge for year	1696	2446	885	5027
On disposals	-	-	-	-
As at 31.8.03	149845	12232	4425	166502
<b>Net book value</b>				
At 31.8.03	5085	-	84075	89160
At 31.8.02	5274	2446	84960	92680

**TIPPETTS MOTORS (SURBITON) LIMITED**

Notes to the accounts (continued)  
for the year ended 31 August 2003

	2003 £	2002 £	
10. <b>STOCKS</b>			
New and second hand motorcycles, spares and accessories, and power equipment	675782	669142	
	_____	_____	
11. <b>DEBTORS</b>			
Trade debtors	176682	349830	
Prepayments	14546	527	
Other debtors	5208	445	
Directors loan accounts	27979	-	
	_____	_____	
	224415	350802	
	_____	_____	
12. <b>CREDITORS:</b> Due within one year			
Trade creditors	456874	365932	
Corporation Tax	-	-	
Other taxes and social security costs	24483	109009	
Accruals	29966	75882	
Directors loan accounts	10983	28911	
Final dividend payable	-	-	
Other creditors	5172	-	
	_____	_____	
	527478	579734	
	_____	_____	
13. <b>SHARE CAPITAL</b>			
Authorised			
Ordinary shares of £1	100	100	
	_____	_____	
Allotted, issued and fully paid:			
Ordinary shares of £1 each	100	100	
	_____	_____	
14. <b>RECONCILIATION OF MOVEMENT IM SHAREHOLDERS FUNDS</b>			
	Share Capital	Profit & Loss Account	Total
At 1/9/02	100	991261	991361
Retained loss for year	-	(125732)	(125732)
	_____	_____	_____
At 31/8/03	100	865529	865629
	_____	_____	_____

**TIPPETTS MOTORS (SURBITON) LIMITED**

Notes to the accounts (continued)  
for the year ended 31 August 2003

**15. OPERATING LEASE COMMITMENTS**

There were no operating lease commitments in the year.

**16. CAPITAL COMMITMENTS**

There were no capital commitments which have not been accounted for.

**17. CONTINGENT LIABILITIES**

The company bankers have a legal charge over the company's freehold property at 312 Ewell Road in regard to all present and future borrowings.

**18. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year.