RDC

Company Registration No: 1043583 (England and Wales)

M.T. DEVELOPMENTS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

AQSNHUUL
A27
COMPANIES HOUSE
0422
06/05/04

ANDERSONS KBS LIMITED

CHARTERED ACCOUNTANTS

BIRMINGHAM

A member of The UK 200 Group of Practising Chartered Accountants

M.T. DEVELOPMENTS LIMITED

COMPANY INFORMATION

Director	A G Williams
Secretary	J C Davy
Company number	1043583
Registered office	135 New John Street Aston Birmingham B6 4LD
Auditors	Andersons The Old Guild House One New Market Street Birmingham B3 2NH
Bankers	Allied Irish Bank (GB) 380 Birmingham Road Wylde Green Sutton Coldfield West Midlands B72 1YH

M.T. DEVELOPMENTS LIMITED

GROUP STRUCTURE

M.T. Developments Limited	The company is the holding company of the following wholly owned subsidiary companies. The company also leases property to non-group members.
Mr. Tyre Limited	The company trades in the distribution of motor vehicle tyres, exhaust systems and ancillary services and products.
M.T. Marine Limited	The company did not trade throughout the year.

M.T. DEVELOPMENTS LIMITED

CONTENTS

	Page
Report of the director	1 - 2
Auditor's Report	3
Consolidated profit and loss account	4
Consolidated note of historical cost profits and losses	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 22

M.T. DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR

The director presents his report and financial statements for the year ended 31 December 2003.

Principal activity and review of the business

The principal activity of the group continued to be that of the distribution of motor vehicle tyres, exhaust systems and ancillary products and services.

The director is of the opinion that the outcome for the year is satisfactory and the activities of the ensuing year have commenced at a reasonable level, which gives him confidence for future results.

Results and dividends

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed accounts.

The director does not recommend the payment of a dividend.

Director

The following director has held office since 1 January 2003:

A G Williams

Director's interests

The director's beneficial interest in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 2003	31 December 2002
A G Williams	99	99

The director does not have any interests in the issued share capital of the subsidiary companies.

Creditor payment policy

The groups current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The company has negotiated extended credit terms with certain major suppliers. On average, trade creditors at the year end represented 123 (2002 – 131) days purchases.

M.T. DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR (CONT'D)

Review of the business

A summary of the results of the years trading is given on page 4 of the financial statements. The group disposed of, and purchased several properties during the year as part of the continuing assessment of trading activities.

Fixed assets

During the year the group purchased freehold/leasehold land and buildings of £1,134,017.

Land and buildings were sold for £339,439, realising a loss of £82,591. This is disclosed as an exceptional item in the profit and loss account of the group.

Details of changes in fixed assets during the year are summarised in the notes to the financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Andersons be re-appointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that year. In preparing those financial statements, the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

This report was approved by the board on the 4/5/04

On behalf of the board

A G Williams
Director

M.T. DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF M.T. DEVELOPMENTS LIMITED

We have audited the financial statements on pages 4 to 22 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out herein.

This report is made solely to the company's members, as a body, 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.

Respective responsibilities of directors and auditors

As described in the statement of director's responsibilities on page 2 the company's director is responsible for the preparation of the 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 director's report is not consistent with the financial statements, if the group 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 the director's 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 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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 and of the group's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

ANDERSONS
Registered Auditor
Chartered Accountants

A member of The UK 200 Group of practising Chartered Accountants

The Old Guild House
One New Market Street
BIRMINGHAM
B3 2NH

4/5/04

Andersons is the trading name of Andersons KBS Limited

M.T. DEVELOPMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	21,029,794	18,820,293
Cost of sales		(16,969,352)	(15,079,002)
Gross profit		4,060,442	3,741,291
Administrative expenses		(3,664,074)	(3,536,955)
Other operating income		41,249	41,953
Operating profit	4	437,617	246,289
(Loss)/profit on sale of assets	4	(82,591)	292,898
Other interest receivable and similar income	7	70	559
Interest payable	8	(220,395)	(236,546)
Profit on ordinary activities before taxation		134,701	303,200
Tax on profit on ordinary activities	9	(55,976)	(85,098)
Transferred to reserves	21	**78,725**	**218,102**

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

M.T. DEVELOPMENTS LIMITED

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003 £	2002 £
Note of Historical Cost Profits and Losses		
Reported profit on ordinary activities before taxation	134,701	303,200
Realisation of property revaluation gains of previous years	218,201	62,679
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	18,310	21541
Historical cost profit on ordinary activities before taxation	**371,212**	**386,420**
Historical cost profit after taxation, extraordinary items and dividends	**315,236**	**302,322**
Parent company	**(2,711)**	**154,233**
Subsidiary companies	**317,947**	**148,089**

M.T. DEVELOPMENTS LIMITED

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Intangible assets	10		1		1
Tangible assets	11		6,454,555		5,255,259
			6,454,556		5,255,260
Current assets					
Stocks	13	1,589,044		1,882,412	
Debtors	14	3,573,294		3,555,104	
Cash in hand		155,018		59,954	
		5,317,356		5,497,470	
Creditors: amounts falling due within one year	15	(8,119,712)		(7,679,281)	
Net current liabilities			(2,802,356)		(2,181,811)
Total assets less current liabilities			3,652,200		3,073,449
Creditors: amounts falling due after more than one year	16	(1,209,779)		(693,196)	
Provisions for liabilities and charges					
Deferred taxation	18	(38,788)		(55,345)	
			(1,248,567)		(748,541)
			2,403,633		**2,324,908**
Capital and reserves					
Called up share capital	20		99		99
Revaluation reserve	21		325,600		562,110
Profit and loss account	21		2,077,934		1,762,699
Shareholders' funds	23		**2,403,633**		**2,324,908**

The financial statements were approved by the board on the 4 Sept

On behalf of the board

A G WILLIAMS - **Director**

M.T. DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET
AT 31 DECEMBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Intangible assets	10		1		1
Tangible assets	11		5,136,563		2,347,844
Investments	12		10,002		10,002
			5,146,566		2,357,847
Current assets					
Debtors	14	159,400		160,431	
Cash at bank and in hand		30,763		6,177	
		190,163		166,608	
Creditors: amounts falling due within one year	15	(3,347,450)		(885,049)	
Net current liabilities			(3,157,287)		(718,441)
Total assets less current liabilities			1,989,279		1,639,406
Creditors: amounts falling due after more than one year	16	(951,187)		(564,060)	
Provisions for liabilities and charges					
Deferred taxation	18	(6,533)		(15,813)	
			(957,720)		(579,873)
			1,031,559		**1,059,533**
Capital and reserves					
Called up share capital	20		99		99
Revaluation reserve	21		221,846		247,109
Profit and loss account	21		809,614		812,325
Shareholders' funds	23		**1,031,559**		**1,059,533**

The financial statements were approved by the board on ...4/5/04.....

On behalf of the board

A G WILLIAMS - **Director**

M.T. DEVELOPMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
AT 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		1,210,554		313,047
Returns on investments and servicing of finance				
Interest received	70		559	
Interest paid	(220,395)		(236,546)	
Net cash (outflow) for returns on investments and servicing of finance		(220,325)		(235,987)
Taxation		(95,874)		(28,367)
Capital expenditure				
Payments to acquire tangible assets	(1,809,296)		(1,334,760)	
Receipts from sales of intangible assets	-		-	
Receipts from sales of tangible assets	330,075		1,413,519	
Net cash (outflow)/inflow for capital expenditure		(1,479,221)		78,759
Net cash (outflow)/inflow before management of liquid resources and financing		(584,866)		127,452
Financing				
New long term bank loan	505,000		600,000	
Repayment of long term bank loan	(64,628)		(173,580)	
Increase/(repayment) of other short term loans	255,881		(224,301)	
Capital element of hire purchase contracts	194,781		(141,303)	
Net cash inflow from financing		891,034		60,816
Increase in cash in year		**306,168**		**188,268**

M.T. DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
AT 31 DECEMBER 2003

		2003	2002
		£	£
1.	**Reconciliation of operating profit to net cash inflow from operating activities**		
	Operating profit	437,617	246,289
	Depreciation of tangible assets	197,335	213,528
	Decrease in stocks	293,368	196,118
	(Increase)/decrease in debtors	(2,465,675)	1,651,574
	Increase/(decrease) in creditors due within one year	2,747,909	(1,994,462)
	Net cash inflow from operating activities	**1,210,554**	**313,047**

2. Analysis of net debt

	1.1.03 £	Cash flow £	Other non-cash changes £	31.12.03 £
Net cash:				
Cash at bank and in hand	59,954	95,064		155,018
Bank overdrafts	(211,104)	211,104		-
	(151,150)	306,168		155,018
Debt:				
Finance leases	(225,971)	(194,781)		(420,752)
Debts falling due within one year	(1,414,250)	(309,127)		(1,723,377)
Debts falling due after one year	(564,060)	(387,127)		(951,187)
	(2,204,281)	(891,035)	-	(3,095,316)
Net debt	**(2,355,431)**	**(584,867)**	**-**	**(2,940,298)**

		2003	2002
		£	£
3.	**Reconciliation of net cash flow to movement in net debt**		
	Increase/(Decrease) in cash in the year	306,168	188,268
	Cash outflow from decrease in debt and lease financing	(891,035)	(60,816)
	Change in net debt resulting from cash flows	(584,867)	127,452
	New finance leases	-	-
	Movement in net debt in the year	(584,867)	127,452
	Opening net debt	(2,355,431)	(2,482,883)
	Closing net debt	**(2,940,298)**	**(2,355,431)**

M.T. DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2003

1. Accounting policies

Accounting convention
These financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Compliance with accounting standards
The accounts have been prepared in accordance with applicable accounting standards.

Consolidation
The financial statements of M.T. Developments Limited, M.T. Marine Limited and Mr. Tyre Limited have been consolidated together.

No profit and loss account is presented for M.T. Developments Limited as provided by Section 230 of the Companies Act 1985.

Turnover
Turnover represents net invoiced sales of goods excluding inter group sales, VAT and trade discounts.

Goodwill
Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

Tangible fixed assets
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Land and buildings freehold	no depreciation
Land and buildings leasehold	straight line basis over the term of the lease
Fixtures, fittings and equipment	- 25% and 15% p.a. of net book value
Motor vehicles	- 5%, 10%, 20% and 25% p.a. of net book value
Plant and equipment	15% p.a. of net book value

No depreciation is provided in respect of freehold land and buildings. It is the company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly, the director considers that the lives of these assets are so long, and the residual values (based on prices prevailing at the time of acquisition) are so high, that their depreciation would not be material and therefore is not charged in the profit and loss account. The directors perform annual impairment reviews in accordance with FRS 15 and FRS 11 to ensure that the recoverable amount is not higher than the carrying value.

Pensions
The pension costs charged in the financial statements represent the contributions payable by the group during the year in accordance with FRS 17.

Stocks
Stocks are stated at the lower of cost and net realisable value.

Deferred taxation
The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19 – Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Leasing and hire purchase commitments
Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. Turnover

The turnover and profit before taxation are attributable to the principal activity of the group.

Geographical market:	2003 £	2002 £
UK	20,737,971	18,820,293
Rest of Europe	291,823	-
	21,029,794	**18,820,293**

3. Loss for the financial year dealt within the accounts of the company

(Loss)/profit for the year	**(27,974)**	**144,907**

4. Operating profit

The operating profit is stated after charging:

Operating lease rentals	29,552	112,073
Depreciation of tangible fixed assets	197,335	213,528
Auditors' remuneration:		
Audit services	20,000	21,000
Non-audit work	15,750	17,900
Staff costs (see note 6)	2,320,602	2,119,615

During the year assets of the group were sold realising a loss of £82,591 (2002 profit of £292,898). The company realised a profit of £11,575 (2002 £223,930).

5. Directors' remuneration

Emoluments for qualifying services	707,356	559,008
Company pension contributions to money purchase schemes	-	5,000
	707,356	**564,008**

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 0 (2002 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	**625,104**	**428,379**

6. Staff costs

The average number of persons employed by the group, including directors, during the year was as follows:

	2003 No	2002 No
Management, sales and distribution	**103**	**107**

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	2,107,666	1,939,409
Social security	212,936	175,206
Other pension costs	-	5,000
	2,320,602	**2,119,615**

7. Other interest receivable and similar income

Bank interest	**70**	**559**

8. Interest payable

Bank overdraft and other loans	61,591	57,255
On finance and hire purchase contracts	32,715	52,059
On amounts payable to factors	125,950	127,202
Other interest	139	30
	220,395	**236,546**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
AT 31 DECEMBER 2003

9. Taxation

Domestic current year taxation		
UK corporation tax	68,773	92,114
Adjustment for prior years	3,760	(6,194)
Current tax charge	72,533	85,920
Deferred Tax		
Deferred tax charge/credit current year	(16,557)	(822)
	55,976	85,098
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	135,216	303,200
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 28.11% (2002: 25.44%)	38,007	77,123
Effects of:		
Non deductible expenses	18,273	12,183
Depreciation add back	51,826	79,797
Capital allowances	(49,934)	(73,587)
Adjustments to previous periods	3,760	(6,194)
Chargeable disposals	28,282	(13,238)
Other tax adjustments	(17,681)	9,836
	34,526	8,797
Current tax charge	72,533	85,920

10. Intangible fixed assets

Goodwill	The Group £	The Company £
At 31 December 2002	1	1
Disposals	-	-
At 31 December 2003	**1**	**1**

11. Tangible fixed assets

(i) The Group	Freehold land and buildings £	Leasehold land and buildings £	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2003	3,797,340	536,014	577,274	267,788	798,365	5,976,781
Additions	1,050,193	90,132	16,815	36,764	615,393	1,809,297
Disposals	(98,425)	(241,014)	-	-	(192,989)	(532,428)
At 31 December 2003	**4,749,108**	**385,132**	**594,089**	**304,552**	**1,220,769**	**7,253,650**
Depreciation						
At 1 January 2003	-	31,579	208,484	136,432	345,027	721,522
Provided during the year	-	9,435	57,140	23,709	107,051	197,335
Disposals	-	(41,014)	-	-	(78,748)	(119,762)
At 31 December 2003	**-**	**-**	**265,624**	**160,141**	**373,330**	**799,095**
Net book value						
At 31 December 2003	**4,749,108**	**385,132**	**328,465**	**144,411**	**847,439**	**6,454,555**
At 31 December 2002	**3,797,340**	**504,435**	**368,791**	**131,355**	**453,338**	**5,255,259**

During the year ended 31 December 1998 some of the freehold land and buildings were revalued on an open market basis by the director, from £1,475,808 to £1,908,107. In addition, during the year ended 31 December 1999, the plant and machinery of the subsidiary company, Mr Tyre Limited, were revalued on an open market basis by the director, from £311,226 to £500,000.

During the year ended 31 December 1996 some of the freehold land and buildings were revalued from £233,870 to £330,000 by Peter J Hicks & Co, Chartered Surveyors using the open market method. Revaluation's of land and buildings were also made in 1990 from £158,081 to £270,000; 1991 from £409,425 to £607,025 and in 1992 from £242,582 to £311,828.

If the properties were sold for their revalued amounts it would be necessary to replace them with similar property and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

The financial statements have been prepared taking advantage of the transitional provisions of FRS15.

The net book value of assets held for use in operating leases at 31 December 2003 was £5,136,563 (2002 - £2,347,844).

11. Tangible fixed assets (cont'd)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant & equipment £	Motor vehicles £	Total £
Net book values:			
At 31 December 2003	6,128	668,028	674,156
At 31 December 2002	7,209	329,542	336,751
Depreciation charge for the year			
At 31 December 2003	1,081	79,076	80,157
At 31 December 2002	1,272	47,112	48,384

(ii) The Company	**Freehold land and buildings £**	**Leasehold land and buildings £**	**Fixtures and fittings £**	**Plant and equipment £**	**Total £**
Cost or valuation					
At 1 January 2003	2,338,409	41,014	37,662	76,013	2,493,098
Additions	2,509,124	385,132	2,693	-	2,896,949
Disposals	(98,425)	(41,014)	-	-	(139,439)
At 31 December 2003	4,749,108	385,132	40,355	76,013	5,250,608
Depreciation					
At 1 January 2003	-	31,579	37,662	76,013	145,254
Provided during the year	-	9,435	370	-	9,805
On disposals	-	(41,014)	-	-	(41,014)
31 December 2003	-	-	38,032	76,013	114,045
Net book value					
At 31 December 2003	**4,749,108**	**385,132**	**2,323**	**-**	**5,136,563**
At 31 December 2002	**2,338,409**	**9,435**	**-**	**-**	**2,347,844**

During the year ended 31 December 1996 freehold land and buildings were revalued from £233,870 to £330,000 by Peter J Hicks & Co, Chartered Surveyors using the open market method. Revaluations of land and buildings were also made in 1990 from £158,081 to £270,000; 1991 from £409,425 to £607,025 and in 1992 from £242,582 to £311,828. Assets held for letting as operating leases are included at a valuation of £252,125 (2002 £265,265).

If the properties were sold for their revalued amounts it would be necessary to replace them with similar property and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

The financial statements have been prepared taking advantage of the transitional provisions of FRS15.

11. Tangible fixed assets (cont'd)

Comparable historical cost of assets included at valuation:

	The Group £	The Company £
Cost		
At 1 January 2003	4,296,848	2,132,314
Additions	3,638,331	2,894,256
Disposals	(2,602,430)	(114,176)
At 31 December 2003	5,332,749	4,912,394
Depreciation based on cost		
At 1 January 2003	156,814	-
Charge for the year	38,830	-
Disposals	-	-
At 31 December 2003	195,644	-
Net book value		
At 31 December 2003	**5,137,105**	**4,912,394**
At 31 December 2002	**4,099,020**	**2,091,300**

12. Investment

Subsidiary companies at cost brought forward and carried forward	**10,002**	**10,002**

Holdings of more than 20%

The company owns 100% of the issued ordinary shares of Mr. Tyre Limited and M.T. Marine Limited, unlisted companies incorporated in England and Wales.

Mr. Tyre Limited's principal activity is the distribution of motor vehicle tyres, exhaust systems and ancillary products and services.

M.T. Marine Limited did not trade during the year to 31 December 2003.

The aggregate amount of capital and reserves and the results of the undertaking for the last relevant financial year were as follows:

	Capital & reserves £	Profit/ (loss) for the year £
Mr. Tyre Limited	1,436,312	107,214
M.T. Marine Limited	(54,236)	(515)

13. Stocks	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Finished goods	**1,589,044**	**1,882,412**	**-**	**-**

14. Debtors				
Trade debtors	3,046,211	3,039,799	-	1,208
Prepayments	169,035	185,474	1,415	1,238
Other debtors	358,048	329,831	157,985	157,985
	3,573,294	**3,555,104**	**159,400**	**160,431**
Amounts falling due after more than one year and included in debtors above are:				
Other debtors	**167,385**	**192,060**	**157,985**	**157,985**

15. **Creditors**: amounts falling due within one year				
Bank loans and overdrafts	90,605	248,464	90,605	37,360
Trade creditors	5,727,290	5,408,493	-	499
Amount owed to group companies	-	-	3,235,596	788,626
Obligations under hire purchase contracts (note 17)	162,160	96,835	-	-
Social security and other taxes	332,900	369,808	2,705	-
Corporation tax	68,773	92,114	8,350	49,510
Directors loan	4,218	10,361	-	-
Amounts due to discount house	1,634,612	1,379,442	-	-
Accruals	99,154	73,764	10,194	9,054
	8,119,712	**7,679,281**	**3,347,450**	**885,049**

The Group bank loans and overdraft of £90,605 (2002 - £248,464) are secured.

The amount due to discount house is secured on the trade debtors.

16. **Creditors**: amounts falling due after more than one year

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Bank loans	951,187	564,060	951,187	564,060
Obligations under hire purchase contracts (note 17)	258,592	129,136	-	-
	1,209,779	**693,196**	**951,187**	**564,060**
Analysis of loans				
Not wholly repayable within five years:				
Bank loans	1,041,792	601,420	1,041,792	601,420
Included in current liabilities	(90,605)	(37,360)	(90,605)	(37,360)
	951,187	**564,060**	**951,187**	**564,060**
Loan maturity analysis				
Between one and two years	95,759	40,192	95,759	40,192
Between two and five years	321,261	139,801	321,261	139,801
In five years or more	534,167	384,067	534,167	384,067

The loans are secured by fixed and floating charges over the assets of the group.

The aggregate amount of secured creditors relating to the group is £2,676,404 (2002 - £2,191,966). The aggregate amount of secured creditors relating to the company is £1,041,792 (2002 - £601,420).

The bank loan is repayable over 11 years at a rate of 2% above banker's rate, fixed for the first five years.

17. Obligations under leases and hire purchase contracts

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
(a) Hire purchase contracts:				
Net obligations under finance leases and hire purchase contracts:				
Repayable within one year	191,828	111,099	-	-
Repayable between one and five years	279,108	137,781	-	-
	470,936	248,880	-	-
Finance charges allocated to future accounting periods	(50,184)	(22,909)	-	-
	420,752	225,971	-	-
Included in liabilities due within one year	(162,160)	(96,835)	-	-
	258,592	**129,136**	**-**	**-**

(b) Operating leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	2003		2002	
	Leasehold property	Other	Leasehold property	Other
Group	£	£	£	£
Operating leases which expire:				
In more than five years	-	-	16,000	-
Company				
Operating leases which expire:				
In more than five years	-	-	**16,000**	-

The leases of land and buildings are subject to rent reviews.

18. Provision for liabilities and charges

	Deferred taxation £
(i)The Group	
At 1 January 2003	55,345
Charge for the year	(16,557)
At 31 December 2003	**38,788**

18. Provision for liabilities and charges (cont'd)

	Deferred taxation £
(ii) The Company	
At 1 January 2003	15,813
Charge for the year	(9,280)
At 31 December 2003	**6,533**

Deferred taxation is analysed over the following timing differences:

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Accelerated capital allowances provided	**38,788**	**55,345**	**6,533**	**15,813**

19. Pension costs

Defined Contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group.

	2003 £	2002 £
Contributions payable by the group for the year	**-**	**5,000**

20. Called up share capital

	2003 £	2002 £
Authorised		
100 Ordinary shares of £1 each	**100**	**100**
Allotted, called up and fully paid		
99 Ordinary shares of £1 each	**99**	**99**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
AT 31 DECEMBER 2003

21. Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £	Total £
The Group			
Balance at 1 January 2003	562,110	1,762,699	2,324,809
Retained profit for the year	-	78,725	78,725
Transfer from revaluation reserve to profit and loss account	(236,510)	236,510	-
Balance at 31 December 2003	**325,600**	**2,077,934**	**2,403,534**
The Company			
Balance at 1 January 2003	247,109	812,325	1,059,434
Retained loss for the year	-	(27,974)	(27,974)
Transfer from revaluation reserve to profit & loss account	(25,263)	25,263	-
Balance at 31 December 2003	**221,846**	**809,614**	**1,031,460**

22. Contingent liabilities

The company has guaranteed bank borrowings of its subsidiary company totalling £Nil (2002 £211,104).

23. Shareholders' funds

Attributable to equity funds:	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Opening shareholders' funds	2,324,908	2,106,806	1,059,533	914,626
Profit/(loss) for the year	78,725	218,102	(27,974)	144,907
	2,403,633	**2,324,908**	**1,031,559**	**1,059,533**

24. Capital commitments

	2003 £	2002 £
At 31 December 2003 the group had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	327,157

25. Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2003 £	Amount outstanding 2002 £	Maximum in year £
A G Williams	-	-	67,891

In addition Mr A G Williams made an interest free loan to the group. At 31 December 2003 the balance outstanding by the group to him was £4,218 (2002 £10,361).

26. Related party transactions

During the year property owned by the company was occupied by Mr Tyre (Motor Sport) Limited, an associated company rent-free.

27. Control

The ultimate controlling party is Mr A G Williams, the sole director of the company, who owns 100% of the issued share capital.

28. Post balance sheet events

Since the year end the company has made a disposal of property at Sheffield for £60,000 realising a profit on disposal.

M.T. DEVELOPMENTS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Turnover				
Rent receivable		56,174		40,968
Administrative expenses				
Insurance	2,001		7,321	
Legal and professional fees	7,423		6,360	
Audit fees	9,000		9,000	
Bank charges	4,801		424	
Sundry expenses	15		14	
Amortisation on short leasehold	9,435		3,233	
Depreciation:				
Plant and machinery	-		11,108	
Fixtures and fittings	370		8,931	
		(33,045)		(46,391)
Operating profit/(loss)		23,129		(5,423)
Profit on disposal of fixed assets		11,575		223,930
Other interest receivable and similar income				
Bank interest received		70		269
		34,774		218,776
Interest payable				
Bank interest paid	59,779		27,013	
Bank interest payable	-		-	
Other interest paid	139		30	
		(59,918)		(27,043)
(Loss)/profit before taxation		**(25,144)**		**191,733**