

## NOTE FOR TVR FORUM RE BALANCE SHEET AND ACCOUNTS TO 30.9.04

Those who attended the AGM and recent EGM will be aware that due to a change of auditors last year, and subsequently a different and more relevant approach to treating subscription and advance advertising income in our Audited Accounts, the Balance Sheet showed a technical deficit of capital. These Audited Accounts are attached and it should be noted that they cover a 16month period, but are compared with the previous 12 month period, which have been restated on the same basis as the accounts to 30.9.04.

The increased expenditure for the 16 month period to 30.9.04 was due to the essential move from outsourced office routines to running our own office, with expenditure on move, new computers and salaries (previously within outsourcing costs) and, of course, the need to properly service a rapidly increasing membership base.

Whilst cash flow remained good in the period to 30.9.04 and the deficit position caused no undue concern, it was prudent, on accountant's good advice, to curtail our expenditure. We are very pleased to report that this prudence by the committee has proved worthwhile in this financial year and we have nearly recovered the deficit. It is estimated that by the year end (although we cannot be fully sure until audited figures are produced) that there will be a positive Balance Sheet position. That should hopefully allow a controlled increase in spending (e.g. on events) in 2006.

In the meantime we will continue to keep a close eye on expenditure and will let you know the position next year.

Maintaining and increasing membership of our club is important, as it allows a more positive view about future spending to be taken. Members are in a good position to help with recruitment and we would encourage you to continue the good work locally, especially those who attend more than one or two local meetings.

Thank you all for support of our very special club.

Simon Lacey  
Chairman

Tony Vile.  
Treasurer.

A similar note to this was published on the RO Forum in mid August.

**Registration number 2426865**

**TVR Car Club Limited**

**Directors' report and financial statements**

**for the period ended 30 September 2004**

## TVR Car Club Limited

### Company information

Directors	S A Lacey L Hadley	(Resigned 28/02/2005)
Secretary	C Folkard	
Company number	2426865	
Registered office	Avenue House Southgate Chichester West Sussex PO19 1ES	
Auditors	Lewis Brownlee Avenue House Southgate Chichester West Sussex PO19 1ES	
Bankers	Lloyds TSB Bank plc 10 East Street Chichester West Sussex PO19 1HJ	

# TVR Car Club Limited

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## **TVR Car Club Limited**

### **Directors' report for the period ended 30 September 2004**

The directors present their report and the financial statements for the period ended 30 September 2004.

#### **Principal activity**

The principal activity of the company continues to be the management of the TVR Car Club's activities. The company is a non-profit making organisation, limited by guarantee.

#### **Change of accounting date**

The directors have this year taken the decision to change the company's accounting date from 31 May to 30 September, making this a sixteen month period. This was done for administrative reasons.

#### **Directors and their interests**

The directors who served during the period are as stated below:

M R R Lerner	(Resigned 27/09/2003)
M Payne	(Resigned 27/09/2003)
C Wright	(Resigned 27/09/2003)
S A Lacey	(Appointed 27/09/2003)
L Hadley	(Resigned 28/02/2005)

On 2 March 2005 Carol Folkard was appointed as a director and company secretary of the company and William Harnet was appointed as a director.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the directors are required to:

- select suitable accounting policies and 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 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 financial statements comply with the Companies Act 1985. They 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

**TVR Car Club Limited**

**Directors' report  
for the period ended 30 September 2004**

**Auditors**

Lewis Brownlee were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

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

This report was approved by the Board on \_\_\_\_\_ and signed on its behalf by

**C Folkard  
Secretary**

## **TVR Car Club Limited**

### **Independent auditors' report to the members of TVR Car Club Limited**

We have audited the financial statements of TVR Car Club Limited for the period ended 30 September 2004 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 shareholders those matters we are required to state to them in an auditors' 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 shareholders 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 directors' responsibilities the company's directors are 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 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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.

**TVR Car Club Limited**

**Independent auditors' report to the members of TVR Car Club Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**Lewis Brownlee  
Chartered Accountants and  
Registered Auditors**

**Avenue House  
Southgate  
Chichester  
West Sussex  
PO19 1ES**

**Date**



**TVR Car Club Limited**

**Profit and loss account  
for the period ended 30 September 2004**

	Notes	01/06/03 to 30/09/04	Year ended 31/05/03 As Restated
		£	£
<b>Turnover</b>	2	493,498	438,731
Cost of sales		(412,568)	(308,232)
<b>Gross profit</b>		80,930	130,499
Administrative expenses		(157,924)	(95,908)
<b>Operating (loss)/profit</b>	3	(76,994)	34,591
Other interest receivable and similar income		4,096	1,451
Interest payable and similar charges		(429)	-
<b>(Loss)/profit on ordinary activities before taxation</b>		(73,327)	36,042
Tax on (loss)/profit on ordinary activities	4	(654)	-
<b>(Loss)/profit on ordinary activities after taxation</b>		(73,981)	36,042
<b>(Loss)/retained profit for the period</b>		(73,981)	36,042
Retained profit brought forward		42,302	6,260
<b>Accumulated (loss)/profit carried forward</b>		(31,679)	42,302
<b>Statement of total recognised gains and losses</b>			
Total recognised losses/gains relating to the period		(73,981)	36,042
Prior year adjustment		(125,960)	-
<b>Total recognised losses/gains since last annual report</b>		(199,941)	36,042

The notes on pages 7 to 11 form an integral part of these financial statements.

**TVR Car Club Limited**

**Balance sheet  
as at 30 September 2004**

		30/09/04		31/05/03 As Restated	
Notes	£	£	£	£	
<b>Fixed assets</b>					
Tangible assets	5		17,763	16,250	
<b>Current assets</b>					
Stocks		8,934		8,244	
Debtors	6	28,069		88,324	
Cash at bank and in hand		115,449		153,528	
		152,452		250,096	
<b>Creditors: amounts falling due within one year</b>	7	(201,894)		(224,044)	
<b>Net current (liabilities)/assets</b>			(49,442)	26,052	
<b>Net (liabilities)/assets</b>			(31,679)	42,302	
<b>Capital and reserves</b>					
Profit and loss account	8		(31,679)	42,302	
<b>Shareholders' funds</b>			(31,679)	42,302	

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on \_\_\_\_\_ and signed on its behalf by

**S A Lacey**  
**Director**

**The notes on pages 7 to 11 form an integral part of these financial statements.**

# TVR Car Club Limited

## Notes to the financial statements for the period ended 30 September 2004

### 1. Accounting policies

#### 1.1. Accounting convention

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

#### 1.2. Turnover

Turnover comprises subscriptions received from members, sales of advertising space in the Club magazine and sales of Club merchandise. Subscriptions are invoiced for 12 months in advance. The proportion of subscriptions relating to the period after the balance sheet date is carried forward into next year and included in creditors due within one year as deferred income. This treatment of subscriptions received in advance represents a change from the previous policy of recognising all income upon receipt. A similar change has been made in respect of advertising income received in advance of the publication of the magazine to which it relates. See note 10 for further details.

#### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	20% reducing balance
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#### 1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5. Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.6. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

#### 1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

### 2. Turnover

The total turnover of the company for the period has been derived from its principal activity. The turnover arising from overseas markets amounted to approximately 3%.

**TVR Car Club Limited**

**Notes to the financial statements  
for the period ended 30 September 2004**

..... continued

	<b>Period ended 30/09/04 £</b>	<b>Year ended 31/05/03 £</b>
<b>3. Operating (loss)/profit</b>		
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	5,550	3,275
Loss on disposal of tangible fixed assets	442	-
Auditors' remuneration	1,000	1,000
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on foreign currencies	44	-
	<u>          </u>	<u>          </u>
 <b>4. Tax on (loss)/profit on ordinary activities</b>		
	<b>Period ended 30/09/04 £</b>	<b>Year ended 31/05/03 £</b>
<b>Analysis of charge in period</b>		
<b>Current tax</b>		
Adjustments in respect of previous periods	654	-
	<u>          </u>	<u>          </u>

**TVR Car Club Limited**

**Notes to the financial statements  
for the period ended 30 September 2004**

..... continued

<b>5. Tangible fixed assets</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 June 2003	42,577	42,577
Additions	7,505	7,505
Disposals	(499)	(499)
At 30 September 2004	<u>49,583</u>	<u>49,583</u>
<b>Depreciation</b>		
At 1 June 2003	26,327	26,327
On disposals	(57)	(57)
Charge for the period	5,550	5,550
At 30 September 2004	<u>31,820</u>	<u>31,820</u>
<b>Net book values</b>		
At 30 September 2004	<u>17,763</u>	<u>17,763</u>
At 31 May 2003	<u>16,250</u>	<u>16,250</u>
<b>6. Debtors</b>	<b>30/09/04</b>	<b>31/05/03</b>
	<b>£</b>	<b>As Restated £</b>
Trade debtors	18,998	23,500
Other debtors	6,140	-
Prepayments and accrued income	2,931	64,824
	<u>28,069</u>	<u>88,324</u>

**TVR Car Club Limited**

**Notes to the financial statements  
for the period ended 30 September 2004**

..... continued

<b>7. Creditors: amounts falling due within one year</b>	<b>30/09/04</b>	<b>31/05/03 As Restated</b>
	<b>£</b>	<b>£</b>
Trade creditors	40,281	-
Corporation tax	-	932
Other taxes and social security costs	1,109	2,721
Accruals and deferred income	160,504	220,391
	<u>201,894</u>	<u>224,044</u>

<b>8. Reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 31 May 2003 as previously stated</b>	168,262	168,262
Prior year adjustment	(125,960)	(125,960)
<b>At 1 June 2003</b>	42,302	42,302
(Loss)/retained profit for the period	(73,981)	(73,981)
<b>At 30 September 2004</b>	<u>(31,679)</u>	<u>(31,679)</u>

**9. Financial commitments**

At 30 September 2004 the company had annual commitments under non-cancellable operating leases as follows:

	<b>30/09/04</b>	<b>31/05/03</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between one and five years	<u>3,000</u>	<u>-</u>

**TVR Car Club Limited**

**Notes to the financial statements  
for the period ended 30 September 2004**

..... continued

**10. Prior year adjustment**

A Prior Year Adjustment has been made in the period to reflect a change in accounting policy in respect of income recognition. Subscription income received by the company from members of the Club is now spread evenly across the period to which the membership relates, rather than recognised in full on the date of receipt, as was the case previously. This change in policy has made it necessary to account for deferred income of £113,162 as at 30 September 2004 (2003 restated at £108,994). Similarly, an adjustment has been made to account for deferred income in respect of advertising sales. This has led to the introduction of a further provision of £42,328 (2003: £40,467). It is the opinion of the directors that the change in accounting policy is necessary for the accounts to show a true and fair view of the company's financial results and position at the end of the period. Finally, an adjustment has been made to introduce trade debtors estimated at £23,500 as at 31 May 2003, which had been omitted from the accounts for that period.

**TVR Car Club Limited**

**The following pages do not form part of the statutory accounts.**



**TVR Car Club Limited**

**Detailed trading profit and loss account  
and expenses schedule  
for the period ended 30 September 2004**

	Period ended 30/09/04		Year ended 31/05/03 As Restated	
	£	£	£	£
<b>Sales</b>				
Subscriptions		259,160		210,423
Regalia sales		116,020		115,448
Advertising sales		112,497		104,527
MBNA commission		934		364
Insurance valuations		11		4,209
Miscellaneous income		1,876		1,864
Sponsorship fund		3,000		1,896
		493,498		438,731
 <b>Cost of sales</b>				
Opening stock	8,244		10,020	
Purchases	114,424		94,796	
Printing and stationery	210,862		146,845	
Postage	59,429		51,727	
Track and meeting costs	28,543		13,088	
		421,502		316,476
Closing stock	(8,934)		(8,244)	
		(412,568)		(308,232)
<b>Gross profit</b>	16%	80,930	30%	130,499
 <b>Administrative expenses</b>				
Wages and salaries	21,627		-	
Employer's NI contributions	1,799		-	
Operating lease rentals - land & blds	1,500		-	
Insurance	3,877		2,426	
Secretarial and administration	55,087		56,732	
Advertising	13,518		7,811	
Telephone charges	3,829		1,801	
Computer costs	11,635		-	
Travelling	4,981		6,949	
Legal and professional	5,810		-	
Audit	1,000		1,000	
Bank charges	9,266		7,193	
Bad debts	1,298		-	
Profit/loss on exchange	(44)		-	
General expenses	16,749		8,721	
Depreciation on fixtures & equipment	5,550		3,275	

**TVR Car Club Limited**

**Detailed trading profit and loss account  
and expenses schedule  
for the period ended 30 September 2004**

	<b>Period ended 30/09/04</b>		<b>Year ended 31/05/03 As Restated</b>	
	£	£	£	£
Profits/losses on disposal of tangible assets	442		-	
		157,924		95,908
<b>Operating (loss)/profit</b>	16%	(76,994)	8%	34,591
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest	4,096		1,451	
		4,096		1,451
<b>Interest payable</b>				
Interest on overdue tax	429		-	
		(429)		-
<b>Net (loss)/profit for the period</b>		<u>(73,327)</u>		<u>36,042</u>