

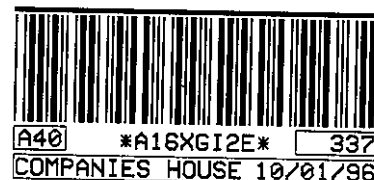
NORTH EAST GARAGES LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 1995

COMPANY REGISTRATION NUMBER 1521454

Prepared By de Wit and Company
Chartered Accountants,
Audit House,
Oakwellgate West,
Gateshead,
Tyne and Wear,
NE8 2AU.



NORTH EAST GARAGES LIMITED

REGISTERED OFFICE: 21-26 Howard House,
Howard Street,
North Shields,
NE30 1AR.

DIRECTORS: Mr. R. M. Shand
Mr. A. D. McPhee
Mr. K. McFadden

SECRETARY: Mr. A. D. McPhee

AUDITORS: de Wit and Company,
Chartered Accountants,
Registered Auditors,
Audit House,
Oakwellgate West,
Gateshead,
Tyne and Wear,
NE8 2AU.

BANKERS: National Westminster Bank plc,
Newcastle upon Tyne, Civic Centre Branch,
Newcastle Business Centre,
38 St. Mary's Place,
Newcastle upon Tyne,
NE1 7PQ.

NORTH EAST GARAGES LIMITEDDIRECTORS REPORTFOR THE YEAR ENDED 31st MARCH 1995

The Directors present their report and financial statement for the year ended 31st March 1995.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of Vehicle Sales and Repairs.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £147754 which is set out on page 5.

The Directors consider the profit achieved on ordinary activities before taxation to be particularly satisfactory.

Adequate finance has been obtained to take advantage of business opportunities.

DIVIDENDS

The Directors have recommended and paid a dividend for the year ended 31st March 1995.

The Directors recommended that the retained profit of £99754 be added to reserves.

FIXED ASSETS

Details of movement on fixed assets are set out in note 6 to the accounts.

DIRECTORS

The Directors of the Company during the year and their beneficial interests in the issued share capital of the Company at the beginning and the end of the year were:

	<u>1995</u>	<u>1994</u>
Mr. R. M. Shand	380	380
Mr. A. D. McPhee	380	380
Mr. K. McFadden	240	240

AUDITORS

A resolution proposing that de Wit and Company be re-appointed as auditors of the company will be put to the annual general meeting.

NORTH EAST GARAGES LIMITEDDIRECTORS REPORT CONTINUEDFOR THE YEAR ENDED 31st MARCH 1995DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which gives 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, the directors are required to

select suitable accounting policies and then apply them consistently;

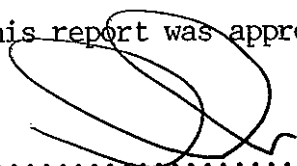
make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on a 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 irregularities.

This report was approved by the board and is signed on their behalf.



.....
A. D. McPhee
Secretary

12/9/95
.....

AUDITORS' REPORTTO THE SHAREHOLDERS OF NORTH EAST GARAGES LIMITEDPURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the full financial accounts on pages 5 to 14 of North East Garages Limited for the year ended 31st March 1995 and the financial accounts have been reproduced and properly prepared from the full financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 as amended, to the exemptions conferred by Section B of Part III of Schedule 8 to that Act in respect of the year ended 31st March 1995 and the financial accounts on pages 5 to 14 have been properly prepared in accordance with that schedule.

On 15th September 1995 we reported to the shareholders on the full financial statements of the company for the year ended 31st March 1995, prepared under Section 226 of the Companies Act 1985. Our report under section 235 of the Companies Act is as follows:

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

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.

AUDITORS' REPORTTO THE DIRECTORS OF NORTH EAST GARAGES LIMITEDPURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Audit House,
Oakwellgate West,
Gateshead,
NE8 2AU.



de Wit and Company
Chartered Accountants
Registered Auditors

8-1-96

NORTH EAST GARAGES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1995

	<u>NOTES</u>	<u>1995</u>	<u>1994</u>
Turnover - Continuing Operations	1. 2.	11999812	8487583
Cost of Sales		<u>10306221</u>	<u>7210279</u>
Gross Profit		1693591	1277304
Administrative Expenses		<u>1394434</u>	<u>1145632</u>
		299157	131672
Other Operating Income		<u>125</u>	<u>115</u>
Operating Profit - Continuing Operations		299282	131787
Interest on VAT Refund	9952	-	-
Deposit Account Interest	54	-	-
Rents Received	1750	8744	
Surplus on Sale of Assets	<u>367</u>	<u>12123</u>	<u>161458</u>
		311405	170202
Interest Payable and Similar Charges	3	<u>86647</u>	<u>86402</u>
Profit on Ordinary Activities Before Taxation	4	224758	215587
Tax on Ordinary Activities	5	<u>77004</u>	<u>5137</u>
Profit on Ordinary Activities After Taxation		147754	210450
Dividends		<u>48000</u>	<u>24000</u>
Retained Profit for the Year		99754	186450
Retained Profit Brought Forward		<u>369818</u>	<u>183368</u>
Retained Profit Carried Forward		<u>469572</u>	<u>369818</u>

None of the company's activities were acquired or discontinued during the above financial years.


The company has no recognised gains or losses for 1995 or 1994 other than those included in the Profit and Loss Account.

The notes on pages 8 to 14 form part of these accounts.

NORTH EAST GARAGES LIMITEDBALANCE SHEET AS AT 31st MARCH 1995

	<u>NOTES</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	579344	569899
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	7	1202127	952149
Debtors and Prepayments	8	<u>347588</u>	<u>221965</u>
		1549715	1174114
<u>CREDITORS</u>			
Amounts due within one year	9	1281808	1106311
Net Current Assets		<u>267907</u>	<u>67803</u>
Total Assets Less Current Liabilities		847251	637702
<u>CREDITORS</u>			
Amounts falling due after more than one year	10	<u>318254</u>	<u>208459</u>
Net Assets		<u>528997</u>	<u>429243</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	11	1000	1000
Property Revaluation Reserve		58425	58425
Profit and Loss Account		<u>469572</u>	<u>369818</u>
Shareholders Funds - All Equity	12	<u>528997</u>	<u>429243</u>

These accounts have been approved by the board and signed on their behalf.


.....

R. M. Shand
Director

12/9/95
.....

The notes on pages 8 to 14 form part of these accounts.

NORTH EAST GARAGES LIMITEDCASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 1995

	<u>NOTES</u>	<u>1995</u>	<u>1994</u>
Net Cash Inflow from Operating Activities	13	90791	218268
<u>Returns on Investments and</u>			
<u>Servicing of Finance</u>			
Interest Paid	(86647)	(86402)	
Dividends Paid	(48000)	(24000)	
Net Cash Outflow from Returns on			
Investments and Servicing of Finance		(134647)	(110402)
<u>Taxation</u>			
Corporation Tax Paid (Including			
Advance Corporation Tax)	21406	35008	
Corporation Tax Rebates Received	-	(12540)	
Corporation Tax Interest Received	(328)	-	
Corporation Tax Interest Paid	<u>223</u>	(21301)	<u>5278</u>
			(27746)
<u>Investing Activities</u>			
Payments to Acquire Tangible Fixed Assets	(45405)	(28126)	
Receipts from Sales of Tangible Fixed Assets	<u>3998</u>	<u>286248</u>	
Net Cash (Outflow) Inflow from Investing			
Activities		<u>(41407)</u>	<u>258122</u>
Net Cash (Outflow) Inflow Before Financing		(106564)	338242
<u>Financing</u>			
Increase (Decrease) in Amounts Borrowed	16	<u>125413</u>	<u>(127368)</u>
Increase in Cash and Cash Equivalents	15	<u>18849</u>	<u>210874</u>
		=====	=====

NORTH EAST GARAGES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

1. **ACCOUNTING POLICIES**

Basis of accounting

The accounts have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Land and Buildings	2% straight line basis
Fixtures, Fittings and Office Equipment	20% reducing balance basis
Plant and Equipment	20% reducing balance basis
Motor Vehicles	25% reducing balance basis
Investment Motor Vehicles	10% reducing balance basis

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment 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.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Deferred taxation

No provision has been made for deferred taxation as in the opinion of the directors, there is a reasonable probability that no liability will arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. **Turnover**

All sales were within the United Kingdom.

NORTH EAST GARAGES LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995**3. Interest payable**

On bank overdrafts and other loans:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Repayable within five years, not by instalments	8182	4443
Repayable wholly or partly in more than five years	16861	17075
Other Loans	60502	60610
Finance charges on finance leases	<u>1102</u>	<u>4274</u>
	<u>86647</u>	<u>86402</u>
	=====	=====

4. Operating profit

The operating profit is stated after charging:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets		
- owned by the company	28509	19766
- held under finance leases	3820	5094
Auditors' remuneration	9853	10409
Directors' emoluments	49140	52640
Pension costs	27000	-
	<u>=====</u>	<u>=====</u>

5. Taxation

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Current year taxation		
Corporation tax at 25% (1994 - 25%)	71162	8836
Prior years		
Corporation tax	5947	(8977)
Interest on Corporation tax	<u>(105)</u>	<u>5278</u>
	<u>77004</u>	<u>5137</u>
	=====	=====

NORTH EAST GARAGES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

6. Tangible fixed assets

	Land and Buildings Cowgate	Buildings Shiremoor	Fixtures, Fittings and Office Equipment	Plant and Equipment	Motor Vehicles	Investment Motor Vehicles	Total
	£	£	£	£	£	£	£
Cost							
As at 1st April 1994	240000	236458	20012	95942	44843	17576	654831
Additions	6877	17470	8851	7470	4737	-	45405
Disposals	-	-	(1152)	(2825)	(3890)	-	(7867)
As at 31st March 1995	<u>246877</u>	<u>253928</u>	<u>27711</u>	<u>100587</u>	<u>45690</u>	<u>17576</u>	<u>692369</u>

Depreciation

As at 1st April 1994	-	-	8842	57116	15634	3340	84932
On disposals	-	-	(703)	(1913)	(1620)	-	(4236)
Charge for year	<u>4938</u>	<u>5079</u>	<u>3906</u>	<u>9063</u>	<u>7919</u>	<u>1424</u>	<u>32329</u>
As at 31st March 1995	<u>4938</u>	<u>5079</u>	<u>12045</u>	<u>64266</u>	<u>21933</u>	<u>4764</u>	<u>113025</u>

Net book values

As at 31st March 1995	<u>241939</u>	<u>248849</u>	<u>15666</u>	<u>36321</u>	<u>23757</u>	<u>12812</u>	<u>579344</u>
As at 31st March 1994	<u>240000</u>	<u>236458</u>	<u>11170</u>	<u>38826</u>	<u>29209</u>	<u>14236</u>	<u>569899</u>

Included above are motor vehicles held under finance leases or hire purchase contracts amounting to £11461 (1994 £15281).

On 22nd December 1993 the company granted a Premium Leasehold Interest to a tenant regarding the Petrol Station and Forecourt at Cowgate for a term of 125 years at a consideration of £235000.

The Land and Buildings at Cowgate were then revalued without the Petrol Station and Forecourt by Storey, Sons and Parker, Chartered Surveyors, the valuation was £240000.

7. Stocks

	<u>1995</u> £	<u>1994</u> £
Stocks	1198472	948993
Work in Progress	<u>3655</u>	<u>3156</u>
	<u>1202127</u>	<u>952149</u>

NORTH EAST GARAGES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

8. Debtors

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Due within one year		
Trade debtors	305360	184070
Other debtors	27796	25816
Prepayments	<u>14432</u>	<u>12079</u>
	<u>347588</u>	<u>221965</u>
	=====	=====

9. Creditors: amounts falling due within one year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank overdraft (secured)	167907	186756
Obligations under hire purchase contracts	3927	12755
Loan accounts (secured)	336446	312000
Trade creditors	525879	459720
Taxation	66302	10599
Taxes and Social Security	29039	24330
Other creditors	28263	34794
Accruals	71144	48424
Value Added Tax	<u>52901</u>	<u>16933</u>
	<u>1281808</u>	<u>1106311</u>
	=====	=====

NORTH EAST GARAGES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

10. Creditors: amounts falling due after more than one year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Loans (secured)	318254	205500
Net obligations under finance lease and hire purchase contracts (secured)	-	2959
	<u>318254</u>	<u>208459</u>
	=====	=====
Debt due after more than one year		
- repayable between 1-2 years	21100	12000
- repayable between 2-5 years	160800	133500
- repayable in five years or more	<u>136354</u>	<u>62959</u>
	<u>318254</u>	<u>208459</u>
	=====	=====

The National Westminster bank overdraft is secured by an unscheduled mortgage debenture dated 1st April 1991, which creates a fixed and floating charge over all the company's assets subject to

The Stocking and Fixed Term Loan with Chartered Trust plc totalling £408000 at 31st March 1995 are secured by

1. First priority of vehicle stocks to £400000 plus interest.
2. First legal charge over the land and buildings at Cowgate, Newcastle.
3. Second debenture on the assets.
4. Master guarantees of R. M. Shand, A. D. McPhee and K. McFadden.

The mortgage with the Norwich and Peterborough Building Society is secured by

1. A first legal charge on the freehold property at New York Road, West Allotment, Shiremoor.
2. Personal guarantees of R. M. Shand, A. D. McPhee and K. McFadden.

11. Called up share capital

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Authorised		
Ordinary Shares of £1 each	<u>1000</u>	<u>1000</u>
Allotted, called up and fully paid		
Ordinary Shares of £1 each	<u>1000</u>	<u>1000</u>
	=====	=====

NORTH EAST GARAGES LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

12. Reconciliation of movement on Shareholders' funds

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Profit for the year	147754	210450
Less: Dividends	<u>48000</u>	<u>24000</u>
	99754	186450
Opening shareholders' funds	<u>429243</u>	<u>242793</u>
	<u>528997</u>	<u>429243</u>

13. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating profit	311405	301989
Depreciation	32329	24860
Profit on Disposal of Assets	(367)	(161458)
Increase in Stocks and Work in Progress	(249978)	(96635)
Increase in Debtors and Prepayments	(125623)	11361
Increase in Creditors and Accrued Charges	<u>123025</u>	<u>138151</u>
	<u>90791</u>	<u>218268</u>

NORTH EAST GARAGES LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

14. Analysis of changes in Cash and Cash Equivalents during the year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Balance at 1st April 1994	(186756)	(397630)
Net Cash Inflow	<u>18849</u>	<u>210874</u>
Balance at 31st March 1995	<u>(167907)</u>	<u>(186756)</u>

15. Analysis of the Balances of Cash and Cash Equivalents as shown in the Balance Sheet

	<u>This Year</u>	<u>Last Year</u>	<u>Change in Year</u>
Bank overdraft	<u>(167907)</u>	<u>(186756)</u>	<u>18849</u>

16. Analysis in Change in Financing During the Year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Balance at 1st April 1994	533214	660582
Cash Inflow from Financing	<u>125413</u>	<u>(127368)</u>
Balance at 31st March 1995	<u>658627</u>	<u>533214</u>