

W. Key

1523929

CHARNWOOD CAR COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1988



CHARNWOOD CAR COMPANY LIMITED

INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1988

Page No.

1	Officers of the Company and Statutory Information
2	Directors' Report
3	Auditors' Report to the Members
4	Profit and Loss Account
5	Balance Sheet
6	Statement of Source and Application of Funds
7 - 12	Notes to the Financial Statements

CHARNWOOD CAR COMPANY LIMITED

REGISTERED IN ENGLAND NO. 1523929

DIRECTORS

J.A.H. Scottorn
Mrs. M.D.S. Davie

SECRETARY

W.H. Wyles

AUDITORS

Marsh & Moss
Loughborough

BANKERS

National Westminster Bank PLC
Loughborough

REGISTERED OFFICE

38 Nottingham Road
Loughborough

CHARNWOOD CAR COMPANY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 1988

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st December 1988

RESULTS AND DIVIDENDS

The profit for the year after taxation was £49,314.
The directors do not recommend payment of a dividend for the current year.

REVIEW OF THE BUSINESS

The company's principal activity during the year was that of garage proprietors. The directors consider the level of activity achieved during the year and the financial position at 31st December 1988 to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Number of shares</u>	
	<u>31st December 1988</u>	<u>31st December 1987</u>
J.A.H. Scottorn	Nil	Nil
Mrs. M.D.S. Davie	Nil	Nil

In accordance with the Articles of Association, J.A.H. Scottorn retires by rotation and, being eligible, offers himself for re-election.

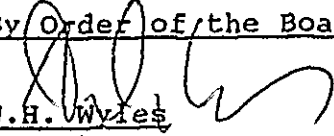
FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the accounts.

AUDITORS

A resolution in accordance with Section 384, Companies Act 1985, for the re-appointment of Messrs. Marsh & Moss as auditors of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board


W.H. Wyles
Secretary

27th February 1989

AUDITORS' REPORT TO THE MEMBERS OF
CHARNWOOD CAR COMPANY LIMITED

We have audited the financial statements on pages 4 to 12 in accordance with approved auditing standards.

In common with many businesses of similar size and organisation the company's system of control is dependent on the close involvement of the directors. We have as far as possible been able to obtain independent confirmation to satisfy ourselves as to the completeness of the accounting records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at the balance sheet date and of its result and source and application of funds for the year then ended and comply with the Companies Act 1985.

Marsh & Moss
MARSH & MOSS
Accountants

58 BAXTER GATE,
LOUGHBOROUGH,
LEICESTERSHIRE.
LE11 1TU

27th February 1989

O.B. LOCKWOOD F.C.C.A., A.T.I.I.
Certified Accountant

A.E. WIGHTMAN F.C.A.
Chartered Accountant

N.C. HARRIS F.C.A.
Chartered Accountant

CHARWOOD CAR COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1988

	<u>Notes</u>	£	<u>1988</u>	£	£	<u>1987</u>	£
TURNOVER	2		2,810,744			2,431,367	
COST OF SALES			2,472,200			2,144,927	
GROSS PROFIT			338,544			286,440	
Distribution costs		175,296			162,148		
Administrative expenses		146,351			128,621		
			321,647			290,769	
Other operating income	3		16,897			(4,329)	
			61,711			69,864	
OPERATING PROFIT	4/5		78,608			65,535	
Interest receivable	6	144			-		
Interest payable	7	(29,438)			(24,472)		
			(29,294)			(24,472)	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			49,314			41,063	
Tax on ordinary activities	8		-			-	
RETAINED PROFIT FOR THE YEAR			49,314			41,063	
Retained (deficit) brought forward			(152,812)			(193,875)	
RETAINED (DEFICIT) CARRIED FORWARD			(103,498)			(152,812)	

The notes on pages 7 to 12 form part of these financial statements.

CHARNWOOD CAR COMPANY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1988

	<u>Notes</u>	£	<u>1988</u>	£	£	<u>1987</u>	£
FIXED ASSETS							
Tangible assets	9			54,854			31,009
CURRENT ASSETS							
Stocks	10	198,144				135,119	
Debtors	11	104,983				71,777	
Cash at bank and in hand		67				1,335	
			303,194			208,231	
CREDITORS - amounts falling due within one year	12	(249,414)				(166,601)	
NET CURRENT ASSETS				53,780			41,630
ASSETS LESS CURRENT LIABILITIES				108,634			72,639
CREDITORS - amounts falling due after more than one year	13			(202,132)			(215,451)
NET (LIABILITIES)				(93,498)			(142,812)

Represented by:

CAPITAL AND RESERVES

Called up share capital	14	10,000	10,000
Profit and loss account		(103,498)	(152,812)
		(93,498)	(142,812)

J.A.H. Scottorn

J.A.H. Scottorn

Mrs. M.D.S. Davie

Mrs. M.D.S. Davie

) Directors

Dated: 27th February 1989

The notes on pages 7 to 12 form part of these financial statements.

CHARNWOOD CAR COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST DECEMBER 1988

	£	1988	£	1987	£
SOURCE OF FUNDS					
Funds generated from operations:					
Profit on ordinary activities before taxation		49,314		41,063	
Depreciation					
Adjustment on disposal of fixed assets		8,605		8,249	
		(1,137)		-	
Total generated from operations		<u>56,782</u>		<u>49,312</u>	
Funds from other sources:					
Sale of fixed assets	8,810		-		
Increase in debenture	100,000		-		
Increase in directors loans	-		-		
		<u>108,810</u>		<u>-</u>	
APPLICATION OF FUNDS		<u>165,592</u>		<u>49,312</u>	
Purchase of fixed assets	40,123		21,594		
Repayment of long term loans	63,046		5,037		
Repayment of long term H.P.	2,748		505		
Repayment of directors loans	47,525		7,825		
		<u>(153,442)</u>		<u>(34,961)</u>	
MOVEMENT IN FUNDS		<u>12,150</u>		<u>14,351</u>	
INCREASE/(DECREASE) IN WORKING CAPITAL					
Stocks		63,025		7,318	
Debtors		33,206		(14,014)	
Creditors		(17,575)		(7,801)	
Cash at bank and in hand		(1,268)		985	
Bank overdraft and short term loans		(65,238)		27,863	
		<u>12,150</u>		<u>14,351</u>	

7-4-89

CHARNWOOD CAR COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1938

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared on a going concern basis under the historical cost convention.

1.2 Turnover

This represents the invoiced amounts of goods sold and provided, net of value added tax.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings:	10% p.a.
Plant and machinery:	10% p.a.
Motor vehicles:	25% p.a.

No depreciation has been taken on buildings as the directors consider the value of freehold land and buildings to be in excess of the balance sheet amount.

1.4 Stocks

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

1.5 Deferred taxation

No provision has been made for deferred tax as no such liability is anticipated in the foreseeable future.

2. TURNOVER

The turnover and pre-tax Profit are wholly attributable to the company's main activity.

The turnover arises entirely in the U.K.

7 - 4 - 89

CHARNWOOD CAR COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1988- continued

3.	<u>OTHER OPERATING INCOME</u>	<u>1988</u> £	<u>1987</u> £
	Fundry income	61,711	69,864
		<u>61,711</u>	<u>69,864</u>
4.	<u>OPERATING PROFIT</u>	<u>1988</u> £	<u>1987</u> £
	This is stated after charging (crediting):		
	Directors' emoluments	19,897	18,077
	Auditors' remuneration	3,650	3,910
	Depreciation	8,605	8,249
	Adjustment on disposal of fixed assets	(1,137)	-
		<u></u>	<u></u>
5.	<u>EMPLOYEE INFORMATION</u>	<u>1988</u> £	<u>1987</u> £
5.1	Staff costs:		
	Wages and salaries	135,905	112,860
	Social security costs	11,073	10,928
	Other pension costs	6,107	3,003
		<u>153,085</u>	<u>126,791</u>
5.2	The average weekly number of employees during the year was made up as follows:	No.	No.
	Office and management	5	5
	Sales and service	17	13
		<u>22</u>	<u>18</u>
6.	<u>INTEREST RECEIVABLE</u>	<u>1988</u> £	<u>1987</u> £
	Bank interest	144	-
		<u>144</u>	<u>-</u>

CHARNWOOD CAR COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1988- continued

7.	<u>INTEREST PAYABLE</u>	<u>1988</u> £	<u>1987</u> £
	On bank overdrafts repayable within 5 years	5,066	3,993
	On loans repayable within 5 years	7,314	11,957
	On other loans	17,058	8,522
		<u>29,438</u>	<u>24,472</u>

8. TAXATION

8.1 The directors are advised that there is no liability to corporation tax arising from these accounts.

8.2 The company is a close company within the terms of section 282 of the Taxes Act 1970.

CHARNWOOD CAR COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1988- continued

9. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u> £	<u>Fixtures and fittings</u> £	<u>Plant and equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost:					
At 1st January 1988	-	12,918	31,708	16,052	60,678
Additions	24,226	2,710	4,377	8,810	40,123
Disposals	-	-	-	(10,230)	(10,230)
At 31st December 1988	<u>24,226</u>	<u>15,628</u>	<u>36,085</u>	<u>14,632</u>	<u>90,571</u>
Depreciation:					
At 1st January 1988	-	7,196	17,786	4,687	29,669
Charge for year	-	1,562	3,609	3,434	8,605
Disposals	-	-	-	(2,557)	(2,557)
At 31st December 1988	<u>-</u>	<u>8,758</u>	<u>21,395</u>	<u>5,564</u>	<u>35,717</u>
Net book value at 31st December 1988	<u>24,226</u>	<u>6,870</u>	<u>14,690</u>	<u>9,068</u>	<u>54,854</u>
Net book value at 31st December 1987	<u>-</u>	<u>5,722</u>	<u>13,922</u>	<u>11,365</u>	<u>31,009</u>

	<u>1988</u> £	<u>1987</u> £
The net book values of land and building comprises:		
Freehold land, Duke Street, Loughborough	<u>24,226</u>	<u>-</u>

10. STOCKS

Stocks consist of goods purchased for resale.

11. DEBTORS

	<u>1988</u> £	<u>1987</u> £
Trade debtors	62,547	28,855
Amounts owed by group companies	33,773	33,773
Other debtors	5,973	7,299
Prepayments	2,690	1,850
	<u>104,983</u>	<u>71,777</u>

CHARNWOOD CAR COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1988- continued

12. <u>CREDITORS - AMOUNTS FALLING DUE</u> <u>WITHIN ONE YEAR</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Bank loans and overdraft	80,238	15,000
Obligations under lease and hire purchase contracts	6,314	9,023
Trade creditors	145,790	125,834
Other taxes and social security costs	7,307	10,486
Other creditors	7,865	4,200
Accruals	1,900	2,058
	<u>249,414</u>	<u>166,601</u>

13. <u>CREDITORS - AMOUNTS FALLING DUE</u> <u>AFTER MORE THAN ONE YEAR</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Bank loans (see note 13.1)	-	63,046
Obligations under lease and hire purchase contracts	10,749	13,497
Director's debenture loan	100,000	-
Director's loan account	91,383	138,908
	<u>202,132</u>	<u>215,451</u>

The debenture loan is interest free and expires on 1st August 1993.

13.1 The total amount of bank loans and overdrafts was as follows:

Falling due within one year:		
Bank overdraft	80,238	-
Bank loan - current portion	-	15,000
	<u>80,238</u>	<u>15,000</u>
Falling due after more than one year:		
Bank loan - repayable within five years	-	63,046
	<u>-</u>	<u>63,046</u>
Total bank borrowings	<u>80,238</u>	<u>78,046</u>

CHARNWOOD CAR COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1988- continued

14. SEARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
	£	<u>1988</u> £	<u>1987</u> £
10,000 Ordinary shares of £1 each	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

15. COMMITMENTS AND CONTINGENT LIABILITIES

CAPITAL COMMITMENTS	<u>1988</u>	<u>1987</u>
	£	£
Expenditure contracted for	NIL	15,000
Authorised by the directors but not contracted	<u>NIL</u>	<u>NIL</u>

CONTINGENT LIABILITIES

In the opinion of the directors there are no contingent liabilities.

16. ULTIMATE HOLDING COMPANY

The company regards Toniscott Holdings Limited, incorporated in England as its ultimate holding company.

17. BANK OVERDRAFT

The bank overdraft is secured by:-

- i) A mortgage debenture dated 23rd August 1982.
- ii) Composite guarantees dated 23rd August 1982 for all liabilities by Bobcare Limited and Toniscott Holdings Limited.
- iii) Postponements of loans to the company dated 17th March 1986 and 27th January 1981 by J.A.H. Scottorn.