

REGISTERED NUMBER:

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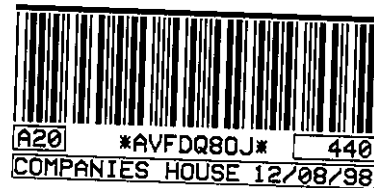
England and Wales

**REGISTRAR
OF COMPANIES**

**WILSONS AUTOMOBILES
AND COACHWORKS LIMITED**

**REPORT OF THE DIRECTORS
AND CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED 31ST DECEMBER 1997



WILSONS AUTOMOBILES AND COACHWORKS LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 1997

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WILSONS AUTOMOBILES AND COACHWORKS LIMITED**COMPANY INFORMATION****FOR THE YEAR ENDED 31ST DECEMBER 1997**

DIRECTORS	-	I.A.Wilson Mrs. T. Wilson Miss T. Wilson Mrs. G.Storr Mrs. M. Fenwick M.R. Jones S.J. Billings J. Rylatt
SECRETARY	-	M.R. Jones
REGISTERED OFFICE	-	Nonsuch Trading Estate, Kiln Lane, East Street Epsom, Surrey KT17 1EG.
REGISTERED NUMBER	-	272743 England and Wales
AUDITORS	-	Simpson Wreford & Partners, Chartered Accountants and Registered Auditors, Suffolk House, George Street, Croydon ..CRO OYN.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report with the financial statements for the year ended 31st December 1997.

REVIEW OF ACTIVITIES

During the period under review the Company's principal activity continued to be trading in the servicing, hiring and sales of motor vehicles.

The company's subsidiaries activities are as follows:-

Wilsons (Automobiles) Ltd. - formerly
Access Automobiles (Epsom) Ltd - trading is carried out through the parent company for whom
it acts as a nominee by means of an agency agreement

Glyn Financial Services Ltd - provision of financial services within the motor industry

REVIEW OF DEVELOPMENTS

Group results

The directors report that the profit before tax was £742,375 compared to £600,821 in the previous year.

Wilsons Automobiles & Coachworks Ltd. has increased turnover by 11.2% which even with a reduction in the gross margin from 13.8% to 13.0% has resulted in a higher gross profit than the previous year. However, administrative expenses net of other income have increased slightly resulting in a profit before tax of £675,612.

Glyn Financial Services Ltd. provision of financial services resulted in a profit before tax of £66,763 compared to £48,001 in the previous year.

Wilsons (Automobiles) Ltd. (formerly Access Automobiles (Epsom) Ltd.) carried on business only as a nominee and received no income and incurred no expenditure and consequently made neither a profit nor a loss.

Financial Position

Shareholders equity increased by £468,874 as analysed in Note 18 to the accounts.

The directors believe the group is soundly based to benefit from future trading opportunities as they arise.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

REPORT OF THE DIRECTORS

DIVIDENDS AND TRANSFERS TO RESERVES

In view of the group's liquidity position the Directors do not recommend the payment of a dividend and no dividend was paid in the previous year. The profit for the year after charging taxation of £265,352 was £477,023 which has been transferred to reserves.

FUTURE PROSPECTS

The group has achieved a satisfactory pre-tax profit on ordinary activities during the year ended 31st December 1997. The directors remain optimistic that the group will continue to operate profitably in the year ending 31st December 1998 and that its prospects for long term growth are good.

FIXED ASSETS

The Directors are of the opinion that the value of land and buildings is not materially different from that shown in the financial statements.

DIRECTORS

The directors who served the company during the year and their interests in the company's issued £1 ordinary shares were as follows:-

	1997	1996
I. A. Wilson	48,915	48,915
Mrs T. Wilson	48,912	48,912
Mrs G. Storr	29,800	29,800
M. R. Jones	1	1
Miss T. Wilson	6,000	6,000
Mrs M. Fenwick	6,000	6,000
S. Billings	1	1
J. Rylatt	1	1

CREDITOR PAYMENT POLICY

The company aims to pay all its suppliers within a reasonable period of receiving their invoice and in any event within the suppliers own standard payment period or under specific terms agreed with individual suppliers at the time of contracting.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

REPORT OF THE DIRECTORS

DIRECTORS' RESPONSIBILITIES

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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 accounts.
- Prepare the accounts 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 group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Simpson Wreford & Partners will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the
board of directors

.....
M. R. Jones
Secretary

Approved by the board: 22nd June 1998

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
WILSONS AUTOMOBILES & COACHWORKS LIMITED**

We have audited the financial statements on pages 6 to 22 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with the accounting policies set out on page 13 and 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the group'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 financial 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 judgments made by the directors 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 affairs of the company and of the group as at 31st December 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



SIMPSON WREFORD & PARTNERS
Chartered Accountants and Registered Auditors

Suffolk House,
George Street,
Croydon CRO OYN.

23rd June 1998

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	2	35,374,020	31,809,440
Cost of sales		<u>(30,767,018)</u>	<u>(27,420,624)</u>
GROSS PROFIT		4,607,002	4,388,816
Administrative expenses		(5,275,786)	(4,826,637)
Other operating income		<u>1,562,202</u>	<u>1,220,560</u>
OPERATING PROFIT		893,418	782,739
Interest payable	3	<u>(151,043)</u>	<u>(181,918)</u>
PROFIT on ordinary activities before taxation	4	742,375	600,821
TAXATION	6	<u>(265,352)</u>	<u>(222,274)</u>
RETAINED PROFIT for the financial year after taxation transferred to reserves		<u>477,023</u>	<u>378,547</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit or loss for the above two financial years.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1997


NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1997 £	1996 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	742,375	600,821
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>24,512</u>	<u>24,512</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>766,887</u>	<u>625,333</u>
Historical cost profit for the year retained after taxation	<u>493,386</u>	<u>403,059</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED
CONSOLIDATED BALANCE SHEET - 31ST DECEMBER 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8	2,788,150		2,790,516	
Investments	9	<u>82,944</u>	2,871,094	<u>76,871</u>	2,867,387
CURRENT ASSETS					
Stocks	10	6,800,036		4,940,541	
Debtors	11	1,487,499		1,028,786	
Cash at bank and in hand		<u>3,139</u>		<u>353,997</u>	
		8,290,674		6,323,324	
CREDITORS: Amounts falling due within one year	12 & 14	<u>(5,490,417)</u>		<u>(4,285,034)</u>	
NET CURRENT ASSETS			<u>2,800,257</u>		<u>2,038,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,671,351		4,905,677
CREDITORS: Amounts falling due after more than one year	13 & 14		(1,265,916)		(980,864)
PROVISIONS FOR LIABILITIES AND CHARGES	15		<u>(10,944)</u>		<u>(7,345)</u>
NET ASSETS			<u>4,394,491</u>		<u>3,917,468</u>
CAPITAL AND RESERVES					
Called up share capital	16		144,630		144,630
Reserves	17		<u>4,249,861</u>		<u>3,772,838</u>
SHAREHOLDERS' GROUP FUNDS	18		<u>4,394,491</u>		<u>3,917,468</u>

Signed on behalf of the
board of directors



 I. A. Wilson
 Director

Approved by the board: 22nd June 1998

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

BALANCE SHEET - 31ST DECEMBER 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8	2,788,150		2,790,516	
Investments	9	<u>84,044</u>	2,872,194	<u>77,971</u>	2,868,487
CURRENT ASSETS					
Stocks	10	6,800,036		4,940,541	
Debtors	11	1,485,029		1,020,569	
Cash at bank and in hand		<u>1,460</u>		<u>351,632</u>	
		8,286,525		6,312,742	
CREDITORS: Amounts falling due within one year	12 & 14	<u>(5,771,559)</u>		<u>(4,507,500)</u>	
NET CURRENT ASSETS			<u>2,514,966</u>		<u>1,805,242</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,387,160		4,673,729
CREDITORS: Amounts falling due after more than one year	13 & 14		(1,265,916)		(980,864)
PROVISIONS FOR LIABILITIES AND CHARGES	15		<u>(10,944)</u>		<u>(7,345)</u>
NET ASSETS			<u>4,110,300</u>		<u>3,685,520</u>
CAPITAL AND RESERVES					
Called up share capital	16		144,630		144,630
Reserves	17		<u>3,965,670</u>		<u>3,540,890</u>
SHAREHOLDERS' FUNDS			<u>4,110,300</u>		<u>3,685,520</u>

Signed on behalf of the
board of directors



I. A. Wilson

Director

Approved by the board: 22nd June 1998

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1997

Reconciliation of operating profit to net cash flow from operating activities.

	1997		1996	
	£	£	£	£
Operating profit		893,418		782,739
Depreciation charges		161,930		176,162
(Profit) on disposal of fixed assets		-		-
Decrease/(Increase) in debtors		(458,713)		(269,895)
(Decrease)/Increase in creditors		124,400		567,455
(Increase)/Decrease in stocks		<u>(1,859,495)</u>		<u>(77,883)</u>
Net cash inflow from operating activities		<u><u>(1,138,460)</u></u>		<u><u>1,178,578</u></u>

CASHFLOW STATEMENT

Net cash (outflow)/inflow from operating activities	(1,138,460)	1,178,578
Returns on investments and servicing of finance (Note A)	(151,043)	(181,918)
Taxation	(231,064)	(149,404)
Capital expenditure (Note A)	<u>(165,637)</u>	<u>(100,799)</u>
	(1,686,204)	746,457
Financing (Note A)	<u>1,121,556</u>	<u>164,253</u>
Increase in cash in the period	<u><u>(564,648)</u></u>	<u><u>910,710</u></u>

Reconciliation of net cashflow to movement in net debt (Note B)

Increase in cash in the period	(564,648)	910,710
Cash outflow from debt and lease purchase financing	<u>(1,121,556)</u>	<u>(164,253)</u>
Movement in net debt	(1,686,204)	746,457
Opening net debt	<u>(980,704)</u>	<u>(1,727,161)</u>
Net debt at 31st October 1997	<u><u>(2,666,908)</u></u>	<u><u>(980,704)</u></u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1997

NOTE A - GROSS CASH FLOWS

	1997	1996
	£	£
Returns on investment and servicing of finance:		
Interest paid	(146,750)	(164,549)
Interest element of finance lease rental payments	<u>(4,293)</u>	<u>(17,369)</u>
	<u>(151,043)</u>	<u>(181,918)</u>
Capital expenditure:		
Purchase of tangible fixed assets	(159,564)	(70,730)
Payments to acquire investments	<u>(6,073)</u>	<u>-30069</u>
	<u>(165,637)</u>	<u>(100,799)</u>
Financing:		
Repayment of banks loans	(758,341)	(526,502)
Repayment of other loans	(10,000)	(10,000)
New bank loan	1,816,318	790,000
New hire purchase and finance lease loans	110,000	10,421
Hire purchase and finance lease capital payments	<u>(36,423)</u>	<u>(99,666)</u>
	<u>1,121,554</u>	<u>164,253</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1997

NOTE B - ANALYSIS OF NET DEBT

	At 1st January 1997 £	Cash Flows £	Other Changes £	At 31st December 1997 £
Cash at bank and in hand	353,997	(350,858)		3,139
Bank overdraft	(41,523)	<u>(213,790)</u>		(255,313)
		(564,648)		
Debt due within one year	(275,839)	(792,731)		(1,068,570)
Debt due after one year	(900,504)	(255,248)		(1,155,752)
Obligations under lease purchase contracts	<u>(116,835)</u>	<u>(73,577)</u>		<u>(190,412)</u>
	<u>(980,704)</u>	<u>(1,686,204)</u>		<u>(2,666,908)</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:-

Basis of Accounting

The accounts are prepared under the historical cost convention, as modified by the revaluation of certain leasehold properties.

Tangible Fixed Assets

Except as noted below, depreciation is provided in annual instalments over the estimated useful life of the assets at the following rates:-

- i. Freehold Properties:
Depreciation is not provided in respect of the group's freehold premises in East Street, Epsom (included at cost of £114,796) as it is not considered practical to identify the buildings element of freehold property and attribute a meaningful estimate of useful life and residual value; given the standard to which it is maintained. Furthermore, any such charge is unlikely to have a material effect on the accounts.
- ii. Long Leasehold Property and improvements at Nonsuch Trading Estate, Epsom, Surrey:
This is being depreciated over 50 years.
- iii. Short Leasehold Property at 174 East Street, Epsom, Surrey:
This is being depreciated over 15 years.
- iv. Plant and Fixtures
- 15% p.a. on cost (except that certain Computer Software has been written off at 25% p.a. on cost).

Stock

Motor cars are included at the lower of cost plus the cost of preparation and repairs to date and net realisable value.

Parts, accessories; petrol and lubricants are included at the lower of cost and net realisable value.

The Rental Fleet and demonstration vehicles are valued at cost less a write down of 2% per month which writes off the cost over the estimated life of the vehicle.

Deferred Taxation

Deferred taxation is provided at the current rate on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability will arise in the future.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

Turnover

Turnover, all of which is earned from the motor trade in the United Kingdom, includes receipts from all activities and is shown net of internal transactions between departments.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Finance leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value at inception and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding where this has a material effect on the financial statements.

Pension costs

Contributions in respect of the company's defined contribution pension schemes are charged to the profit and loss account of the year in which they become payable to the schemes.

Basis of consolidation

The group financial statements consolidate the accounts of the company and its two subsidiaries made up to 31st December 1997.

2 TURNOVER

There was no turnover attributable to geographical markets outside the United Kingdom in either of the last two accounting years. Turnover and profit before tax are attributable to the one principal activity of the company.

3. INTEREST PAYABLE

	1997	1996
	£	£
On bank loans and overdrafts	96,358	108,170
Other loans	54,685	73,748
	<u>151,043</u>	<u>181,918</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	£	£
Profit on ordinary activities before taxation is after charging:-		
Depreciation and amortisation (note 8)	161,930	176,162
Auditors' remuneration - audit	15,250	14,575
- other services	8,325	7,825
Rental costs under operating leases:-		
Hire of plant and equipment		-
Other property rentals	<u>109,018</u>	<u>114,018</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

a) Directors	1997	1996
	£	£
Directors' gross salaries	365,146	333,727
Benefits in kind	77,090	57,205
Pension contributions	<u>29,997</u>	<u>31,553</u>
	<u>472,233</u>	<u>422,485</u>
Remuneration of the highest paid director:-		
Salary and benefits in kind	100,637	86,326
Money purchase pension contributions	<u>-</u>	<u>124</u>
	<u>100,637</u>	<u>86,450</u>
The number of directors to whom retirement benefits accrued under money purchase schemes	<u>6</u>	<u>6</u>
b) Average number of persons employed by the group (including directors)		
Production and service	48	46
Selling	36	34
Administration	<u>51</u>	<u>47</u>
	<u>135</u>	<u>127</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	2,764,002	2,429,252
Social security costs	280,822	245,948
Other pension costs	<u>97,282</u>	<u>83,836</u>
	<u>3,142,106</u>	<u>2,759,036</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1997

6. TAXATION

	1997 £	1996 £
Corporation tax at 31.5% (1996 - 33%) based on the profits for the year	261,753	231,060
Prior year adjustment		(565)
Deferred tax provision	<u>3,599</u>	<u>(8,221)</u>
	<u>265,352</u>	<u>222,274</u>

7. PROFIT OF PARENT COMPANY

As permitted by section 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these financial statements. The consolidated profit for the financial year includes a profit of £424,780 (1996 profit £342,186) which is dealt with in the accounts of the parent company.

8. TANGIBLE FIXED ASSETS

The Group and the Company

	Total £	Freehold Properties £	Long Leasehold Property £	Plant and Fixtures £
Cost or valuation				
At 1st January 1997	3,327,156	194,796	2,515,751	616,609
Additions	<u>159,564</u>		<u>908</u>	<u>158,656</u>
At 31st December 1997	<u>3,486,720</u>	<u>194,796</u>	<u>2,516,659</u>	<u>775,265</u>
Cost	1,936,720	194,796	966,659	775,265
Valuation - 1989	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>	<u>-</u>
	<u>3,486,720</u>	<u>194,796</u>	<u>2,516,659</u>	<u>775,265</u>
Depreciation				
At 1st January 1997	536,640		282,621	254,019
Charge for year	<u>161,930</u>		<u>55,977</u>	<u>105,953</u>
At 31st December 1997	<u>698,570</u>	<u>-</u>	<u>338,598</u>	<u>359,972</u>
Net book values				
At 31st December 1997	<u>2,788,150</u>	<u>194,796</u>	<u>2,178,061</u>	<u>415,293</u>
At 31st December 1996	<u>2,790,516</u>	<u>194,796</u>	<u>2,233,130</u>	<u>362,590</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

The leasehold land and buildings at Nonsuch Trading Estate are stated at valuation made in November 1989, by Edward Symmons & Partners, Chartered Surveyors, and at cost in respect of improvements since that date. The historical cost of long leasehold property included above at a valuation of £1,550,000 was £365,140 and the aggregate depreciation thereon would have been £119,870.

The net book value includes plant and fixtures of £92,579 (1996 - £142,696) in respect of assets held under lease purchase and finance lease contracts. The depreciation of such assets in the year amounted to £20,738 (1996 - £28,309).

9. FIXED ASSETS - INVESTMENTS

	The Group Other Investments £	The Company Other Investments £	Group Companies £
Cost at 1st January 1997	76,871	76,871	1,100
Additions	6,073	6,073	-
Cost at 31st December 1997	<u>82,944</u>	<u>82,944</u>	<u>1,100</u>

All the above investments are unlisted.

10. STOCKS

The group and the company	1997 £	1996 £
Motor vehicles - held on consignment	2,170,247	1,419,530
- held under full title	4,277,989	3,234,406
Parts	333,658	263,566
Consumables	<u>18,142</u>	<u>23,041</u>
	<u>6,800,036</u>	<u>4,940,543</u>

The requirements of Financial Reporting Standard No.5 have been followed whereby new motor vehicles held on a consignment basis, where the manufacturer retains title, are included in the balance sheet value of stock and creditors. It is considered that the principal benefits and risks of stock ownership have passed to the company in substance. This treatment takes into account the consignment agreements with the supplier and normal commercial practice actually adopted by the parties in this area.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

11. DEBTORS

	The Group		The Company	
	1997	1996	1997	1996
	£	£	£	£
Due within one year:				
Trade debtors	1,066,918	794,770	1,066,240	786,553
Other debtors	274,097	139,548	273,305	139,548
Prepayments and accrued income	146,484	94,468	145,484	94,468
	<u>1,487,499</u>	<u>1,028,786</u>	<u>1,485,029</u>	<u>1,020,569</u>

12. CREDITORS: Amounts falling due within one year

Bank loans and overdrafts (note 14)	1,313,883	307,362	1,313,883	307,362
HP and finance lease obligations (note 14)	80,250	36,475	80,250	36,475
Other loan (note 14)	10,000	10,000	10,000	10,000
	<u>1,404,133</u>	<u>353,837</u>	<u>1,404,133</u>	<u>353,837</u>
Trade creditors - re consignment stocks	2,170,247	1,419,530	2,170,247	1,419,530
- other	1,151,870	1,059,063	1,151,870	1,059,059
Amount owed to subsidiary undertaking		-	303,702	238,095
Amount owed to company controlled by directors (note 24 c)	61,251	469,404	61,251	469,404
Corporation tax	261,753	231,066	247,233	219,420
Valued added tax	(2,059)	128,034	(2,059)	128,034
Other taxation and social security	108,124	84,835	108,124	84,835
Directors loan (note 24 b)	14,842	259,850	14,842	259,850
Other creditors		-	100	-
Accruals and deferred income	320,256	279,421	312,116	275,436
	<u>5,490,417</u>	<u>4,285,034</u>	<u>5,771,559</u>	<u>4,507,500</u>

13. CREDITORS: Amounts falling due after more than one year

Bank loans (note 14)	1,150,752	885,504	1,150,752	885,504
Other loans (note 14)	5,000	15,000	5,000	15,000
HP and finance lease obligations	110,164	80,360	110,164	80,360
	<u>1,265,916</u>	<u>980,864</u>	<u>1,265,916</u>	<u>980,864</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

14. BORROWINGS

	The Group		The Company	
	1997	1996	1997	1996
	£	£	£	£
HP and finance lease obligations	190,412	116,835	190,412	116,835
Bank loans -				
- Renault Finance Security Ltd.	450,000	100,000	450,000	100,000
- Barclays Bank Plc	1,335,503	1,049,677	1,335,503	1,049,677
- Lombard North Central Plc	423,818	1,667	423,818	1,667
Other loans	15,000	25,000	15,000	25,000
	<u>2,414,733</u>	<u>1,293,179</u>	<u>2,414,733</u>	<u>1,293,179</u>
Bank overdraft - Barclays Bank Plc	255,313	41,523	255,313	41,523
	<u>2,670,046</u>	<u>1,334,702</u>	<u>2,670,046</u>	<u>1,334,702</u>
Repayable as follows:-				
Within one year or on demand	1,404,133	353,838	1,404,133	353,838
Between one and two years	281,922	205,344	281,922	205,344
Between two and five years	612,520	583,257	612,520	583,257
Over five years	371,471	192,263	371,471	192,263
	<u>2,670,046</u>	<u>1,334,702</u>	<u>2,670,046</u>	<u>1,334,702</u>
Repayable in instalments some of which fall due after five years:				
Barclays Bank Plc - Treasury loan	1,042,500	724,167	1,042,500	724,167
- Showroom	293,004	325,510	293,004	325,510
	<u>1,335,504</u>	<u>1,049,677</u>	<u>1,335,504</u>	<u>1,049,677</u>
Due after five years	<u>371,471</u>	<u>192,263</u>	<u>371,471</u>	<u>192,263</u>

- a) The borrowings from Barclays Bank Plc are secured by a first legal charge on the company's freehold property at East Street and leasehold property at Kiln Lane, Epsom, Surrey and by a debenture on all past and future assets.
- b) The 'showroom loan' is repayable over 10 years from March 1994 at an interest rate of 9.82% p.a.
- c) The treasury loan is repayable over 7 years from January 1998 at an interest rate of 1.5% over base rate.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	1997	1996
	£	£
The group and the company		
Deferred taxation		
Balance at 1st January 1997	7,345	15,566
Change in provision for the year	<u>3,599</u>	<u>(8,221)</u>
Balance at 31st December 1997	<u>10,944</u>	<u>7,345</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

15. (Continued)

Under the accounting policy stated in Note 1, deferred taxation has been provided at 33% as follows:-

	1997		1996	
	Provided £	Full Potential Liability £	Provided £	Full Potential Liability £
Rollover relief claimed on sale of properties	-	41,430	-	44,103
Accelerated capital allowances on tangible fixed assets	10,944	10,944	7,345	7,345
	<u>10,944</u>	<u>52,374</u>	<u>7,345</u>	<u>51,448</u>

16. SHARE CAPITAL

	1997 £	1996 £
Authorised: 500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid: 144,630 ordinary shares of £1 each	<u>144,630</u>	<u>144,630</u>

17. RESERVES

	Capital Redemption (non - distributable) £	Revenue (distributable) £	Revaluation (non - distributable) £	Total £
The Group				
Balance at 1st January 1997	105,370	2,613,473	1,053,995	3,772,838
Profit for the year	-	477,023	-	477,023
Transfer (see below)	-	24,512	(24,512)	-
Balance at 31st December 1997	<u>105,370</u>	<u>3,115,008</u>	<u>1,029,483</u>	<u>4,249,861</u>
The Company				
Balance at 1st January 1997	105,370	2,381,525	1,053,995	3,540,890
Profit for the year		424,780		424,780
Transfer (see below)		24,512	(24,512)	-
Balance at 31st December 1997	<u>105,370</u>	<u>2,830,817</u>	<u>1,029,483</u>	<u>3,965,670</u>

A transfer has been made from Revaluation Reserve to revenue reserves being the additional depreciation charge on the revalued asset.

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the financial year after taxation	477,023	378,547
Opening shareholders' fund at 1st January 1997	<u>3,917,468</u>	<u>3,538,921</u>
Closing shareholders' funds at 31st December 1997	<u>4,394,491</u>	<u>3,917,468</u>
Equity interest	<u>4,394,491</u>	<u>3,917,468</u>

19. CAPITAL COMMITMENTS

At 31st December 1997, there were no capital commitments (1996 - £Nil).

20. CONTINGENT LIABILITIES

The company has made a guarantee to its bankers in favour of Wilsons (Epsom) Ltd. (formerly Hollandia Sunroofs (U.K.) Ltd.) in respect of bank facilities made available to that company.

In accordance with the company's policy on deferred taxation no provision has been made in these accounts for any capital gains tax which may arise in the event of the sale of revalued long leasehold properties at their book value (see note 8), since there is no intention to dispose of the property in the foreseeable future.

Given the above and the uncertainties regarding future tax law it is not practicable to attribute a meaningful value to this contingency.

21. LEASE COMMITMENTS

At 31st December 1997, the company was committed to making the following payments during the year in respect of finance and operating leases:

	Land and buildings £	Other £
Leases which expire:		
Within one year	-	-
Within two to five years	-	-
After five years	<u>109,018</u>	<u>-</u>
	<u>109,018</u>	<u>-</u>

WILSONS AUTOMOBILES AND COACHWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 1997

22. PENSIONS

- a) The company operates a defined contribution pension scheme in respect of certain directors, funded by contributions from the company and the members. The assets of the scheme are held separately from those of the company in independently administered funds.

The pension charge for the year in the company's accounts relating to this scheme was £7,604 (1996 £9,643).

- b) The company also operates a defined contribution scheme in respect of the remaining eligible employees funded by contributions from the company and the employees. The assets of the scheme are held separately from those of the company in independently administered funds.

The pension charge for the year in the company's accounts relating to this scheme was £67,308 (1996 - £54,192).

23. SUBSIDIARIES

The company has the following wholly owned subsidiaries:-

Wilsons (Automobiles) Ltd. (formerly

Access Automobiles (Epsom) Ltd.) - servicing, hiring and sales of motor vehicles
trade is carried out through the parent company for whom it
acts as a nominee by means of an agency agreement.

Glyn Financial Services Ltd. - provider of financial services within the motor industry.

24. RELATED PARTY TRANSACTIONS

- a. The company is under the control of Mr I. A. and Mrs T. Wilson who are husband and wife.
- b. Mr I. A. Wilson, Mrs T. Wilson and Miss T. Wilson have made loans to the company of which the total amount outstanding at the year end is disclosed in Note 12. No interest is payable on the amounts outstanding from I. A. and Mrs T. Wilson which are repayable on demand. Interest is payable on the amount outstanding from Miss T. Wilson which is repayable on demand.
- c. Wilsons (Epsom) Ltd., is controlled by Mr I. A. and Mrs T. Wilson and their daughters Miss T. Wilson and Mrs M. Fenwick.

The company has purchased administration and technical support from Wilsons (Epsom) Ltd. for £80,000. Funds for working capital have been made by Wilsons (Epsom) Ltd. and the balance outstanding at the year end is disclosed in Note 12.

- d. The company has a loan from the Wilsons Automobiles and Coachworks Ltd. (Directors) Retirement Benefits Scheme which amounted to £25,000 at 1st January 1996 and £15,000 at 31st December 1997 and is being repaid at the rate of £10,000 per annum. Interest is payable at a commercial rate.