

470050

C.H. DAVIS & CO. LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
1ST APRIL 1991 TO 26TH MARCH 1992

ALLIOTTS  
Chartered Accountants and Registered Auditors



C.H. DAVIS & CO. LIMITED

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FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

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C.H. DAVIS & CO. LIMITED

DIRECTORS' REPORT

FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

The directors present herewith their annual report, together with the audited financial statements of the company for the period from 1st April 1991 to 26th March 1992.

**RESULTS AND DIVIDENDS**

The Company sustained an ordinary loss after taxation of £76,738. In addition the company sustained an extraordinary loss of £30,271 after taxation in respect of the disposal of properties on cessation of trade less the expenses in connection with the cessation of trade. Further information is provided in the Notes to the Accounts.

**REVIEW OF THE BUSINESS**

The company's principal activity during the period was that of timber merchants and saw millers. However, due to a downturn in trading conditions in this market, this activity ceased at the end of the year.

In July 1991, the company acquired the entire share capital of a newly formed company, C.H.Davis Timber Limited. On 27th March 1992, C.H.Davis Timber Limited acquired a business in motor vehicle manufacture, conversion and restoration from the receiver of Lynx Cars Limited, whereupon it commenced trading in this activity.

Following the passing of a Special Resolution on 30th March 1992, approval was given by the Registrar of Companies to a change of name of C.H. Davis Timber Limited to Lynx Motors International Limited.

The Company continues to manage the affairs of Lynx Motors International Limited. Whilst difficult trading conditions exist at present, the Directors are optimistic about the future of Lynx Motors International Limited.

**DIRECTORS AND THEIR INTERESTS**

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

	<u>Number of shares</u>	
	26th March 1992	31st March 1991
A.W. Taylor	-	5,750
Mrs F.M. Taylor	-	5,750
J.D. Mayston-Taylor	11,500	-
N.H. Evans (Resigned 17/1/1992)	N/A	-
A.H. Dugate (Resigned 7/8/1991)	N/A	-
Mrs S.K. Mayston-Taylor (Appointed 16/10/1991)	-	N/A

In addition, Mrs F.M. Taylor is a Trustee and holds a life interest in a Trust which owns 2,000 shares in the company.

In accordance with the Articles of Association, J.D. Mayston-Taylor retires by rotation and, being eligible, offers himself for re-election. Mrs S.K. Mayston-Taylor having been appointed during the year retires from office and, being eligible offers herself for re-election.

F. H. DAVIS & CO., LIMITED

DIRECTORS' REPORT

FOR THE PERIOD 1st APRIL 1991 TO 26TH MARCH 1992

(CONTINUED)

**FIXED ASSETS**

A summary of the movements of Fixed Assets is included in the Notes to the Accounts.

The Directors are aware that the market value of Freehold Properties varies from cost shown in these accounts. However, due to the present uncertainty within the property market, they are neither able to ascertain the present market value of the properties nor can they estimate the tax liability which could arise in the event of their disposal.

**AUDITORS**

It is proposed that the company's present auditors, Alliotts be reappointed as auditors to the company to hold office for the ensuing year.

By Order of the Board

*F. M. Taylor*

Mrs. F.M. Taylor  
Secretary

*24<sup>th</sup> January 1993*

REGISTERED OFFICE  
85, Brighton Road  
South Croydon  
Surrey. CR2 6YD.

COMPANY NUMBER: 470050

AUDITORS' REPORT TO THE MEMBERS OF  
C.H. DAVIS & CO. LIMITED

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards, having regard to the matters referred to below:-

The Company has offered to the bank its Freehold Property as security against its indebtedness and since the end of the period, the indebtedness of its subsidiary undertaking, Lynx Motors International Limited. As explained in Note 16 the majority of the bank borrowing is of a bridging nature pending the disposal of the remaining freehold properties or the acquisition of suitable long term finance. These financial statements are drawn up on the basis that such support will continue.

Subject to the above and the Company being able to continue in operation, in our opinion, the accounts give a true and fair view of the state of the Company's affairs at 26th March 1992 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Alliotts  
Chartered Accountants  
and Registered Auditors

96 High Street  
Guildford  
Surrey  
GU1 3DL

Date: 24<sup>th</sup> JANUARY 1993

C.H. DAVIS & CO. LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

		<u>1992</u>	<u>1991</u>
		£	£
TURNOVER	2	676,137	947,398
COST OF SALES		447,912	590,486
GROSS PROFIT		228,225	356,912
Distribution costs		84,951	153,795
Administrative expenses		336,701	282,638
		421,652	436,433
		(193,427)	(79,521)
Other operating income	3	155,869	28,139
OPERATING (LOSS)	4	(37,558)	(51,382)
Interest payable	6	(39,180)	(36,858)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(76,738)	(88,240)
Tax on ordinary activities	7	-	-
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(76,738)	(88,240)
Extraordinary items	8	(30,271)	-
SUSTAINED (LOSS) FOR THE PERIOD		(107,009)	(88,240)
Retained profit brought forward		549,485	637,725
RETAINED PROFIT CARRIED FORWARD		£ 442,476	£ 549,485

The notes on pages 6 to 13 form an integral part of these financial statements.

**C.H. DAVIS & CO. LIMITED**

**BALANCE SHEET  
AS AT 26TH MARCH 1992**

	Notes	£	1982 £	£	1991 £
<b>FIXED ASSETS</b>					
Tangible assets	9		649,793		750,648
Investments	10		2		-
			<u>649,795</u>		<u>750,648</u>
<b>CURRENT ASSETS</b>					
Stocks	11	-		191,812	
Debtors	12	6,723		67,914	
Cash at bank and in hand		-		175	
			<u>6,723</u>	<u>259,901</u>	
CREDITORS - amounts falling due within one year	13	(185,709)		(438,731)	
<b>NET CURRENT (LIABILITIES)</b>			<u>(188,986)</u>		<u>(278,830)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			460,809		571,818
CREDITORS - amounts falling due after more than one year			-		(4,000)
<b>NET ASSETS</b>			<u>£ 460,809</u>		<u>£ 567,818</u>

Financed by:

**CAPITAL AND RESERVES**

Called up share capital	15	13,500	13,500
Other reserve		4,833	4,833
Profit and loss account		442,476	549,485
		<u>£ 460,809</u>	<u>£ 567,818</u>

The notes on pages 6 to 13 form an integral part of these Financial Statements.

The accounts were approved by the Board on 24<sup>th</sup> January 1992

.....  
Director

.....  
Director

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

**1. ACCOUNTING POLICIES**

**1.1 Accounting conventions**

The financial statements are prepared 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, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings:	2.00 % per annum on cost
Leasehold buildings:	evenly over the lease term
Fixtures and fittings:	20.00 % per annum on reducing balance
Plant and machinery:	20.00 % per annum on reducing balance
Motor vehicles:	25.00 % per annum on reducing balance

**1.4 Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**1.5 Deferred taxation**

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

**1.6 Pensions**

The company operates a contributory pension scheme covering one of the directors. The scheme funds are independent of the company's finances and contributions are charged against profit in the period in which they are made.

**1.7 Group Accounts**

The company has taken advantage of the provisions of section 248 of the Companies Act 1985 and has not prepared accounts incorporating the results and financial position of the subsidiary undertaking, Lynx Motors International Limited.

**1.8 Operating leases**

Rentals paid under operating leases are charged to income as incurred.

**2. TURNOVER**

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

The turnover arises entirely in the U.K.



C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

<b>3. OTHER OPERATING INCOME</b>	<u>1992</u>	<u>1991</u>
	£	£
Rent receivable	15,764	17,387
Surplus on disposal of fixed assets	140,105	10,752
	<hr/>	<hr/>
	£ 155,869	£ 28,139
	<hr/>	<hr/>
<b>4. OPERATING (LOSS)</b>	<u>1992</u>	<u>1991</u>
	£	£
This is stated after charging (crediting):		
Staff costs (see note 5)	220,217	284,505
Auditors' remuneration	5,000	10,000
Depreciation	22,638	20,883
Directors Emoluments (note 5.3)	68,773	69,095
	<hr/>	<hr/>
<b>5. EMPLOYEE INFORMATION</b>	<u>1992</u>	<u>1991</u>
	£	£
<b>5.1 Staff costs:</b>		
Wages and salaries	201,000	249,411
Social security costs	16,697	20,702
Other pension costs	2,520	14,392
	<hr/>	<hr/>
	£ 220,217	£ 284,505
	<hr/>	<hr/>
<b>5.2 The average weekly number of employees during the period was made up as follows:</b>	<b>No.</b>	<b>No.</b>
Production	2	2
Administration and Management	8	8
Distribution and sales	11	11
	<hr/>	<hr/>
	21	21
	<hr/>	<hr/>

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

5.3 Directors' emoluments:

Fees and salaries	59,883	63,733
Pension contributions	2,520	5,362
Benefits in kind (estimated)	6,370	-
	<u>£ 68,773</u>	<u>£ 69,095</u>

Further details, excluding pension contributions:

Chairman	<u>£ 12,460</u>	<u>£ 12,101</u>
Highest paid director	<u>£ 28,400</u>	<u>£ 29,060</u>

Other directors' emoluments fell within the following ranges:

	No.	No.
£Nil - £5,000	2	1
£5,001 - £10,000	-	1
£10,001 - £15,000	2	1

6. INTEREST PAYABLE

	<u>1992</u>	<u>1991</u>
	£	£
On bank loan & overdrafts repayable within 5 years	39,180	35,938
On other loans repayable within 5 years	-	920
	<u>£ 39,180</u>	<u>£ 36,858</u>

7. TAXATION

	<u>1992</u>	<u>1991</u>
	£	£
Based on the results for the period	-	-
	<u>-</u>	<u>-</u>

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

8. EXTRAORDINARY ITEMS

Items in connection with the cessation of trade as Timber Merchants and saw millers.

	<u>1992</u>	<u>1991</u>
	£	£
Surplus on disposal of Freehold Property	51,103	-
less: Loss on disposal of other Fixed Assets	(20,205)	-
Redundancy Payments	(61,169)	-
	<u>(30,271)</u>	<u>-</u>
less: Related Taxation	-	-
	<u>£(30,271)</u>	<u>-</u>

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

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 April 1991	816,029	48,149	56,409	45,580	966,166
Additions	-	1,736	10,996	-	12,732
Disposals	(81,048)	(46,384)	(62,405)	(7,995)	(197,832)
At 26th March 1992	<u>734,981</u>	<u>3,500</u>	<u>5,000</u>	<u>37,585</u>	<u>781,066</u>
Depreciation:					
At 1st April 1991	106,058	41,039	41,102	27,319	215,518
Charge for year	9,435	5,419	4,159	3,625	22,638
Disposals	(21,004)	(43,958)	(40,261)	(1,660)	(106,883)
At 26th March 1992	<u>94,489</u>	<u>2,500</u>	<u>5,000</u>	<u>29,284</u>	<u>131,273</u>
Net book value at 26th March 1992	<u>£640,492</u>	<u>£ 1,000</u>	<u>£ -</u>	<u>£ 8,301</u>	<u>£649,793</u>
Net book value at 31st March 1991	<u>£709,971</u>	<u>£ 7,109</u>	<u>£ 15,307</u>	<u>£ 18,261</u>	<u>£750,648</u>
					<u>1992</u> <u>1991</u>
The net book values of land and buildings comprises:					£              £
Freehold					640,409      709,842
Short leasehold					83              129
					<u>£640,492</u> <u>£709,971</u>

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

10. INVESTMENTS

Group Undertaking-unconsolidated

<u>Name</u>	<u>Country of Incorporation</u>	<u>Nature of Business</u>	<u>Class of Share</u>	<u>Holding</u>
Lynx Motors International Limited (formerly C.H.Davis Timber Limited)	England	Motor Vehicle Manufacturers, Converters & Restorers. (from 27.3.92-non trading at 26.3.92)	Ordinary	100%

At 26th March 1992, the company had aggregate issued capital of £2 and had no reserves.

There were no qualifications in the Auditors' Report of Lynx Motors International Limited for the period ended 26th March 1992. The reason for not consolidating is that at 26th March 1992 this company had not traded since incorporation, its only transaction being the issue of shares.

11. STOCKS

The amounts attributable to the different categories are as follows:

Raw materials and consumables

<u>1992</u>	<u>1991</u>
<u>£</u>	<u>£</u>
-	191,812

12. DEBTORS

Trade debtors  
Other debtors  
Prepayments

<u>1992</u>	<u>1991</u>
<u>£</u>	<u>£</u>
-	64,805
-	195
6,723	2,914
<u>£ 6,723</u>	<u>£ 67,914</u>

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

13. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1992</u> £	<u>1991</u> £
Bank loans and overdraft (see below)	170,304	249,799
Trade creditors	6,698	127,372
Other taxes and social security costs	7,370	21,931
Directors' current accounts	3,381	-
Other creditors	3,956	20,399
Accruals	4,000	13,530
	<u>£195,709</u>	<u>£438,731</u>

Bank loans and overdraft is represented by:	<u>1992</u> £	<u>1991</u> £
Bank loan	150,391	169,994
Bank overdraft	19,913	79,805
	<u>£170,304</u>	<u>£249,799</u>

14. SECURED LIABILITIES

Bank loans and overdrafts are secured by way of a mortgage against certain freehold properties owned by the company.

Since the end of the period, these properties have also been charged to the company's bankers as security against the indebtedness of the subsidiary undertaking and in addition the company has granted a fixed and floating charge over its assets to the bankers.

15. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
	£	<u>1992</u> £	<u>1991</u> £
Ordinary shares of f1 each	15,000	13,500	13,500

C.H. DAVIS & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1ST APRIL 1991 TO 26TH MARCH 1992

16. COMMITMENTS AND CONTINGENT LIABILITIES

16.1 CONTINGENT LIABILITIES

In addition to providing security for indebtedness to its own bankers, the company's Freehold properties also provide security against the bank indebtedness of the subsidiary undertaking, Lynx Motors International Limited for up to £400,000. The majority of the bank finance facilities provided are of a short term bridging nature pending the ultimate sale of the Freehold properties or alternative finance of a more permanent nature.

16.2 LEASES

	<u>1992</u>	<u>1991</u>
Annual commitment in respect of operating leases which expire:-	£	£
Within one year	11,500	-
Within two to five years	3,113	14,613
In more than five years	5,400	5,400
	<u>£20,013</u>	<u>£20,013</u>