

J. RAWSON AND SONS LIMITED

BALANCE SHEET AND ACCOUNTS

AS AT 30TH JUNE 1994

Registered Office: Frant Station
Bells Yew Green
Tunbridge Wells,
Kent TN3 9BL.

Registered No: 007476
England & Wales

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J. RAWSON AND SONS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting the audited accounts of the Company for the year ended 30th June 1994, and report as follows:

Principal activities and review of the business

The principal activity of the Company was that of a motor dealership holding Peugeot and Renault car and light commercial franchises, at its two locations.

	£
Operating profit for the year	107,003
Interest payable	(52,990)
Profit for the year before taxation	54,013
Taxation	(18,000)
Profit for the financial year	36,013
Retained profit brought forward	481,037
Retained profits at 30th June 1994	517,050

The vehicle parc still declined in our territory and trading was even more competitive. In spite of this, there is a small increase in profit over the last year. The Renault franchise had an excellent year with improving profits in every department.

The Directors do not recommend the payment of a dividend.

Directors

Directors of the Company were:

Mr. D.R. Rawson

Mrs. E. Rawson

Mrs. M.M. Rawson

Mr. R.M. Chapman

Mr. J.S. Dalton (Appointed 1st December 1993)

Mr. R.L. Sharpe (Retired 14th November 1993)

Parent Undertaking

The Company's Parent Undertaking is J. Rawson Holdings Limited which is incorporated in England. Mr. D.R. Rawson, Mrs. E. Rawson, Mrs. M.M. Rawson, and Mr. R.M. Chapman are Directors of the Holding Company.

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 company and of the profit or loss of the company for that period. In preparing these 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;
- 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 irregularities.

Auditors

The auditors, Gilbert Allen & Co, will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

Date: 31.10.94



D.R. Rawson

Director

REPORT OF THE AUDITORS

TO THE MEMBERS OF J. RAWSON AND SONS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Churchdown
Bordyko
Tonbridge
Kent



GILBERT ALLEN & CO.
1.11.1994
Registered Auditor
Chartered Accountants

J. RAWSON AND SONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1994

1993			1994
£		Notes	£
10,975,181	TURNOVER	(1d)	10,428,521
<u>(9,159,507)</u>	Cost of sales		<u>(8,691,507)</u>
1,815,674	GROSS PROFIT		1,737,014
<u>(1,658,337)</u>	NET OPERATING EXPENSES		<u>(1,630,011)</u>
157,337	OPERATING PROFIT		107,003
	After accounting for the following:		
69,411	Depreciation	(1b,2)	54,909
64,877	Directors' remuneration	(6)	39,312
3,550	Auditor's remuneration		3,720
<u>6,669</u>	Hire purchase charges		<u>—</u>
<u>(110,155)</u>	Interest and Group Finance Charge		<u>(52,990)</u>
47,182	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54,013
<u>(15,532)</u>	TAXATION	(7)	<u>(19,000)</u>
31,650	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		35,013
449,387	RETAINED PROFIT BROUGHT FORWARD		481,037
<u>481,037</u>	RETAINED PROFIT CARRIED FORWARD		<u>517,050</u>

There were no recognised gains or losses other than those included
in the profit and loss account.

J. RAWSON AND SONS LIMITED
BALANCE SHEET AS AT 30TH JUNE 1994

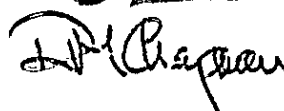
1993			1994
£		Notes	£
116,181	FIXED ASSETS	(1b,2)	77,109
	CURRENT ASSETS		
774,337	Stock and work in progress	(1c,8)	860,637
368,045	Debtors	(3)	729,229
<u>172,664</u>	Cash at bank		<u>—</u>
1,315,046			1,589,866
<u>(675,590)</u>	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(4)	<u>(875,325)</u>
639,456	NET CURRENT ASSETS		714,541
<u>755,637</u>	TOTAL ASSETS LESS CURRENT LIABILITIES		<u>791,650</u>
Representing:			
	CAPITAL AND RESERVES		
274,600	SHARE CAPITAL	(5)	274,600
481,037	PROFIT AND LOSS ACCOUNT		517,050
<u>755,637</u>	SHAREHOLDERS FUNDS		<u>791,650</u>

The accounts were approved
by the Board of Directors
on 31.10.1994



Rawson

D.R. Rawson



R.M. Chapman

Directors

J. RAWSON AND SONS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 1994

1993		1994
£		£
157,337	OPERATING PROFIT	107,003
69,411	Depreciation	54,909
(67,769)	(Increase) in stocks	(86,300)
168,969	(Increase) / Decrease in debtors	(361,184)
137,006	Increase in creditors	8,590
<u>238,206</u>	MOVEMENT IN WORKING CAPITAL	<u>(438,894)</u>
<u>464,954</u>	NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	<u>(276,982)</u>
	RETURNS ON INVESTMENT AND SERVICING OF FINANCE	
(110,155)	Interest and group finance charge paid	(52,990)
	TAXATION	
(16,056)	Corporation tax paid	(14,848)
	INVESTING ACTIVITIES	
(30,035)	Payments to acquire tangible fixed assets	(22,553)
12,347	Proceeds from disposal of fixed assets	8,716
	FINANCING ACTIVITIES	
(34,128)	Hire purchase repayments	(45,873)
<u>286,897</u>	(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(406,530)</u>

Representing: -

**ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS
DURING THE YEAR :-**

£		£
(114,233)	Bank balance	172,664
172,664	At 1st July 1993	(233,866)
	At 30th June 1994	
<u>286,897</u>	NET CASH (OUTFLOW)	<u>(406,530)</u>

J. RAWSON AND SONS LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1994

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently with the preceding year, are set out below:—

a) Basis of accounting:—

The accounts are prepared under the historical cost convention.

The accounts are prepared in accordance with applicable accounting standards.

b) Depreciation is calculated as follows:

- i) Equipment — 20% p.a. on cost.
- ii) Motor vehicles — 25% p.a. on cost.

c) Stocks and work in progress of vehicles, parts and accessories are valued at the lower of cost and net realisable value.

d) Turnover represents sales of vehicles, parts and accessories, service charges and commissions receivable.

2. FIXED ASSETS— Tangible assets

	Equipment	Motor Vehicles	Total
	£	£	£
Cost at 1st July 1993	465,040	44,289	509,329
Additions	5,908	16,647	22,555
Disposals	—	(8,954)	(8,954)
Cost at 30th June 1994	471,552	51,982	523,534
Depreciation at 1st July 1993	367,770	25,975	393,745
Charge for year	42,678	12,231	54,909
No longer required	—	(2,238)	(2,238)
Depreciation at 30th June 1994	410,457	35,968	446,425
Net book value 30th June 1994	61,095	16,014	77,109
Net book value 1st July 1993	97,867	18,314	116,181

3. DEBTORS

	1993	1994
	£	£
Trade debtors	289,549	517,952
Due from Parent Undertaking	6,119	183,000
Due from Fellow Subsidiary Undertakings	1,723	1,085
Prepayments	70,654	27,192
	<u>368,045</u>	<u>729,229</u>

J. RAWSON AND SONS LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1994

4. CREDITORS	1993	1994
	£	£
Bank overdraft (secured) (note 8)	—	233,866
Trade creditors	329,036	511,852
Due to Parent Undertaking	63,806	23,563
Due to Fellow Subsidiary Undertakings	1,533	—
Accruals	219,810	87,360
Hire purchase creditors	45,873	—
Corporation tax (due 1.4.95)	15,532	18,684
	<u>675,590</u>	<u>875,325</u>

5. SHARE CAPITAL	1993	1994
	£	£
Authorised, Issued and Fully Paid Ordinary shares of £1 each	<u>274,600</u>	<u>274,600</u>

6. DIRECTORS' REMUNERATION	1993	1994
	£	£
Directors' emoluments	<u>64,877</u>	<u>39,312</u>
Pension contributions	<u>7,140</u>	<u>5,250</u>
Chairman	<u>—</u>	<u>—</u>
Other Directors: £30,001 – £35,000	<u>2</u>	<u>1</u>

In addition, those directors who are also directors of the Holding Company are paid by that Company, and a charge for their services has been included as an administration charge.

7. TAXATION	1993	1994
	£	£
Corporation tax at 33% (1993: 25%) based on the profits for the year	<u>(15,532)</u>	<u>(18,000)</u>

8. CONTINGENT LIABILITIES

The Company has contingent liabilities of £1,196,087 regarding consignment stocks held, funded by manufacturers / finance houses, and not shown in the balance sheet as stocks.

The Company has given an unlimited guarantee to the Bankers of its Holding and Fellow Subsidiary Undertakings as security for their overdrafts. The relevant overdrafts at 30th June 1994 totalled £761,238.

9. STAFF COSTS

The average number of employees during the year was 70 (1993–68), and their aggregate remuneration was £1,013,686 (1993 – £1,073,976).