

NORJAC LTD

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2002



NORJAC LTD

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

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NORJAC LTD

COMPANY INFORMATION

Directors

Mr R E G Titterington
Mrs E Titterington

Company Secretary

Mr R E G Titterington

Registered Office

Richard House
Winckley Square
Preston
Lancashire
PR1 3HP

Auditors

Moore and Smalley
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP

Bankers

Barclays
9 Highgate
Kendal
Cumbria

NORJAC LTD

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2002

The directors present their report and the accounts of the company for the year ended 31 December 2002.

Principal Activities and Business Review

The company's principal activity continues to be that of garage proprietor.

The company's turnover increased by £944,000, due mostly to an increase in activity in new car sales, and as a result there was an increase in the net profit by just over £26,000.

Results and Dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached accounts.

The directors have not recommended a dividend.

The Directors and their Interests in Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	At 31 December 2002	At 1 January 2002
Mr R E G Titterington	2	2
Mr N R Jackson	1	1
Mr R Jackson	1	1

Mrs E Titterington was appointed, and both Mr N R Jackson and Mr R Jackson retired, as directors on 29 September 2003.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 company and to enable them to ensure that the accounts comply with the Companies Act 1985. The directors 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.

NORJAC LTD

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2002

Auditors

A resolution to re-appoint Moore and Smalley as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



Mr R E G Titterington
Secretary

Approved by the directors on ...20/12/02.....

NORJAC LTD

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on page 5 to 18, together with the accounts of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and the Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on page 5 to 18 are properly prepared in accordance with those provisions.

Moore and Smalley

Moore and Smalley
Chartered Accountants & Registered Auditors

22/10/2003

NORJAC LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Gross Profit		353,434	325,849
Administrative expenses		(301,666)	(299,571)
Operating Profit	2	51,768	26,278
Interest payable and similar charges	5	(19,885)	(20,603)
Profit on Ordinary Activities Before Taxation		31,883	5,675
Tax on profit on ordinary activities	6	(3,905)	(1,444)
Retained Profit for the Financial Year		27,978	4,231

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

NORJAC LTD

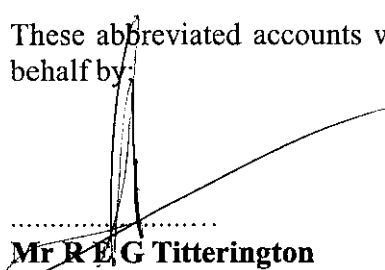
ABBREVIATED BALANCE SHEET

31 DECEMBER 2002

	Note	2002 £	£	2001 £	£
Fixed Assets					
Tangible assets	7		471,138		490,452
Current Assets					
Stocks	8	855,106		767,824	
Debtors	9	255,575		204,035	
Cash at bank and in hand		1,333		1,333	
		<u>1,112,014</u>		<u>973,192</u>	
Creditors: Amounts falling due within one year	10	<u>1,057,384</u>		<u>936,294</u>	
Net Current Assets			<u>54,630</u>		<u>36,898</u>
Total Assets Less Current Liabilities			<u>525,768</u>		<u>527,350</u>
Creditors: Amounts falling due after more than one year	11		<u>44,739</u>		<u>73,554</u>
			<u>481,029</u>		<u>453,796</u>
Provisions for Liabilities and Charges					
Deferred taxation	14		<u>20,387</u>		<u>21,132</u>
			<u>460,642</u>		<u>432,664</u>
Capital and Reserves					
Called-up equity share capital	17		4		4
Revaluation reserve	18		81,713		83,420
Profit and loss account	18		378,925		349,240
Shareholders' Funds	19		<u>460,642</u>		<u>432,664</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 20/12/02..... and are signed on their behalf by:


Mr R E G Titterington

NORJAC LTD

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	£	2001 £	£
Net Cash Outflow From Operating Activities			(2,555)		(72,414)
Returns on Investments and Servicing of Finance					
Interest paid		(17,180)		2,979	
Interest element of hire purchase		(9,825)		(9,451)	
Net Cash Outflow From Returns on Investments and Servicing of Finance			(27,005)		(6,472)
Taxation			—		(662)
Capital Expenditure					
Payments to acquire tangible fixed assets		(2,495)		(5,495)	
Receipts from sale of fixed assets		500		—	
Net Cash Outflow From Capital Expenditure			(1,995)		(5,495)
Cash Outflow Before Financing			(31,555)		(85,043)
Financing					
Repayment of bank loans		(13,554)		(153,569)	
Capital element of hire purchase		78,317		44,323	
Net outflow from long-term accruals		(1,990)		(2,197)	
Net Cash Inflow/(Outflow) From Financing			62,773		(111,443)
Increase/(Decrease) in Cash	20		31,218		(196,486)
Reconciliation of Operating Profit to Net Cash Outflow From Operating Activities					
			2002 £		2001 £
Operating profit			51,768		26,278
Depreciation			21,577		28,586
Profit on disposal of fixed assets			(268)		—
Increase in stocks			(87,282)		(166,322)
(Increase)/decrease in debtors			(51,540)		2,438
Increase in creditors			63,190		36,606
Net cash outflow from operating activities			(2,555)		(72,414)

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

1. Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Any changes in accounting policy resulting from the implementation of new accounting standards, which have a material effect on the accounts, are disclosed separately within the relevant note to the accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	Over 50 yrs straight line
Leasehold Property	-	Over 50 yrs on WDV
Plant & Machinery	-	12.5% & 20% on WDV

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

The treatment of consignment stock is detailed in note 10.

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

1. Accounting Policies *(continued)*

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Operating Profit

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation of owned fixed assets	19,580	20,599
Depreciation of assets held under hire purchase agreements	1,997	7,987
Profit on disposal of fixed assets	(268)	—
Auditors' remuneration		
- as auditors	7,275	7,950
- for other services	5,930	4,150
Operating lease costs:		
Land and buildings	30,000	30,000
Plant and equipment	—	1,538

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

3. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No	No
Number of forecourt staff	7	7
Number of sales staff	5	6
Number of administrative staff	3	3
Number of management staff	3	3
Number of workshop staff	10	8
	28	27

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	376,403	343,959
Social security costs	30,981	26,520
Other pension costs	9,606	8,079
	416,990	378,558

4. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Aggregate emoluments	48,335	52,504
Value of company pension contributions to money purchase schemes	5,000	6,000
	53,335	58,504

The number of directors who are accruing benefits under company pension schemes was as follows:

	2002	2001
	No	No
Money purchase schemes	1	1

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

5. Interest Payable and Similar Charges

	2002	2001
	£	£
Interest payable on bank borrowing	10,000	10,174
Finance charges	9,825	9,451
Other similar charges payable	60	978
	<u>19,885</u>	<u>20,603</u>

6. Tax on Profit on Ordinary Activities

(a) Analysis of charge in the year

	2002	2001
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 17.73% (2001 - 20%)	4,650	—
Total current tax	<u>4,650</u>	<u>—</u>
Deferred tax:		
(Decrease)/Increase in deferred tax provision (note 14)		
Capital allowances	(745)	1,444
Tax on profit on ordinary activities	<u>3,905</u>	<u>1,444</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 17.73% (2001 - 20%).

	2002	2001
	£	£
Profit on ordinary activities before taxation	<u>31,883</u>	<u>5,675</u>
Profit/(loss) on ordinary activities by rate of tax	5,653	1,135
Permanent timing differences	(715)	(65)
Excess of capital allowances over depreciation	(288)	(1,070)
Total current tax (note 6(a))	<u>4,650</u>	<u>—</u>

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

7. Tangible Fixed Assets

	Freehold & Leasehold Property £	Plant & Machinery £	Total £
Cost or Valuation			
At 1 January 2002	457,041	223,892	680,933
Additions	—	2,495	2,495
Disposals	—	(734)	(734)
At 31 December 2002	457,041	225,653	682,694
Depreciation			
At 1 January 2002	47,287	143,194	190,481
Charge for the year	8,858	12,719	21,577
On disposals	—	(502)	(502)
At 31 December 2002	56,145	155,411	211,556
Net Book Value			
At 31 December 2002	400,896	70,242	471,138
At 31 December 2001	409,754	80,698	490,452

The net book value of Freehold and Leasehold Property comprises £343,358 (2001: £351,042) in relation to freehold land and buildings, and £57,538 (2001: £58,712) in relation to buildings held on a short lease. No additions or disposals of freehold and leasehold property were made during the year.

The freehold land and buildings include a showroom valued at £130,000 in April 2000 by Messrs Peill and Company, Chartered Surveyors, on the basis of its current use. If the property was sold for its revalued amount, it is estimated that tax of £6,000 would be payable on the capital gain.

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

7. Tangible Fixed Assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2002 £	2001 £
Historical cost	44,673	44,673
Depreciation:		
At 1 January 2002	6,481	5,588
Charge for year	893	893
At 31 December 2002	7,374	6,481
Net historical cost value:		
At 31 December 2002	37,299	38,192
At 1 January 2002	38,192	39,085

Hire purchase agreements

Included within the net book value of £471,138 is £Nil (2001 - £1,997) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £1,997 (2001 - £7,987).

8. Stocks

	2002 £	2001 £
Raw materials	73,137	62,753
Work in progress	24,268	31,017
Finished goods	453,162	403,807
Payments on account	304,539	270,247
	855,106	767,824

Legal ownership of the consignment stock is retained by spitalgate dealer services ltd. Norjac ltd has possession of the vehicles solely as bailee as no effective purchase payment has been made. However, the company must bear the risks and rewards of ownership once the aforementioned stock is unloaded at its premises. FRS 5 dictates that such vehicles are assets of the company and as such should be included in its balance sheet.

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

9. Debtors

	2002	2001
	£	£
Trade debtors	166,983	99,879
Amounts due from related undertakings	7,799	13,779
Other debtors	5,980	5,979
Prepayments and accrued income	74,813	84,398
	<u>255,575</u>	<u>204,035</u>

Amounts due from related undertakings represents monies due from Norman Jackson Contractors Limited, a company controlled by Mr N R Jackson who is a director of Norjac Ltd.

10. Creditors: Amounts falling due within one year

	2002	2001
	£	£
Vehicle stocking loan	124,674	115,401
Vehicle consignment stock	304,539	270,247
Bank loans and overdrafts	180,155	209,964
Trade creditors	61,479	79,927
Corporation tax	4,650	—
PAYE and social security	7,364	7,133
VAT	21,281	1,819
Hire purchase agreements	230,146	139,967
Other creditors	11,183	23,317
Amounts owed to related undertakings	9,206	9,810
Directors current accounts	3,614	4,707
Accruals and deferred income	99,093	74,002
	<u>1,057,384</u>	<u>936,294</u>

The bank loan and overdraft are secured by a first legal mortgage over the freehold premises at 5 & 7 Scotland Road Carnforth, dated 24 January 1978. They are also secured by a legal charge over the freehold of the services premises, Scotland Road, Carnforth dated 21 April 1993 and Keyman cover over Mr R E G Titterington, a director, for the sum of £150,000. Mr R E G Titterington has also given a personal guarantee of £10,000.

The vehicle stocking loan is secured by a fixed charge over the goodwill, uncalled capital, book debts and other debts, stocks, shares and other securities and a floating charge over all the other assets not subject to a fixed charge under this mortgage debenture, but not including freehold and leasehold land and premises. The debenture is in favour of United Dominions Trust Limited and dated 17 June 1994.

Amounts due from related undertakings represents monies due to Baker and Foster (1960) Limited, a company controlled by Mr R D Jackson who is a director of Norjac Ltd.

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

10. Creditors: Amounts falling due within one year (*continued*)

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Secured Creditors	<u>534,975</u>	<u>465,332</u>

11. Creditors: Amounts falling due after more than one year

	2002	2001
	£	£
Bank loans and overdrafts	4,268	19,231
Hire purchase agreements	—	11,862
	<u>4,268</u>	<u>31,093</u>
Accruals and deferred income	40,471	42,461
	<u>44,739</u>	<u>73,554</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Secured Creditors	<u>4,268</u>	<u>31,093</u>

12. Maturity of Debt Finance

Creditors include finance capital which is due for repayment as follows:

	2002	2001
	£	£
In one year or less, or on demand	462,975	382,103
Between one and two years	4,268	14,706
Between two and five years	—	4,524
	<u>467,243</u>	<u>401,333</u>

13. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows:

	2002	2001
	£	£
Amounts payable within 1 year	230,146	139,967
Amounts payable between 2 to 5 years	—	11,862
	<u>230,146</u>	<u>151,829</u>

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

14. Deferred Taxation

	2002 £	2001 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	21,132	19,688
Profit and loss account movement arising during the year	(745)	1,444
Provision carried forward	<u>20,387</u>	<u>21,132</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002		2001	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	20,387	—	21,132	—
Other timing differences	—	6,000	—	6,000
	<u>20,387</u>	<u>6,000</u>	<u>21,132</u>	<u>6,000</u>

15. Commitments under Operating Leases

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land & Buildings</i>	
	2002 £	2001 £
Operating leases which expire:		
After more than 5 years	<u>30,000</u>	<u>30,000</u>

16. Related Party Transactions

The company was under the control of Mr R E G Titterington throughout the current and previous year.

No transactions, other than disclosed in notes 10, were entered into which require separate disclosure under Financial Reporting Standard 8.

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

17. Share Capital

Authorised share capital:

	2002	2001
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

18. Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	83,420	349,240
Retained profit for the year	—	27,978
Other movements		
- transfer to/from revaluation reserve	(1,707)	1,707
Balance carried forward	<u>81,713</u>	<u>378,925</u>

19. Reconciliation of Movements in Shareholders' Funds

	2002	2001
	£	£
Profit for the financial year	27,978	4,231
Opening shareholders' equity funds	<u>432,664</u>	<u>428,433</u>
Closing shareholders' equity funds	<u>460,642</u>	<u>432,664</u>

NORJAC LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

20. Reconciliation of Net Cash Flow to Movement in Net Debt

	2002		2001
	£	£	£
Increase/(decrease) in cash in the period	31,218		(196,486)
Net cash outflow from bank loans	13,554		153,569
Cash outflow in respect of hire purchase	(78,317)		(44,323)
Net cash outflow from long-term accruals	1,990		2,197
		(31,555)	(85,043)
Change in net debt		(31,555)	(85,043)
Net debt at 1 January 2002		(422,152)	(337,109)
Net debt at 31 December 2002		(453,707)	(422,152)

21. Analysis of Changes in Net Debt

	At 1 Jan 2002	Cash flows	At 31 Dec 2002
	£	£	£
Net cash:			
Cash in hand and at bank	1,333	—	1,333
Overdrafts	(196,410)	31,218	(165,192)
	(195,077)	31,218	(163,859)
Debt:			
Debt due within 1 year	(13,554)	(1,409)	(14,963)
Debt due after 1 year	(61,692)	16,953	(44,739)
Hire purchase agreements	(151,829)	(78,317)	(230,146)
	(227,075)	(62,773)	(289,848)
Net debt	(422,152)	(31,555)	(453,707)