

Turners (Bury St Edmunds) Limited

Report and Abbreviated Financial Statements

Year Ended

30 September 2002



TURNERS (BURY ST EDMUNDS) LIMITED

Annual report and abbreviated financial statements for the year ended 30 September 2002

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Directors

Mr JL Turner
Mrs PE Turner
Mr IJ Turner
Mr GP Turner

Secretary and registered office

Mrs PE Turner, Bury St Edmunds Toyota Centre, Tayfen Road, Bury St Edmunds, Suffolk, IP33 1TB

Company number

886302

Auditors

Baker Tilly, 87 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1PU

TURNERS (BURY ST EDMUNDS) LIMITED

Report of the directors for the year ended 30 September 2002

The directors present their report together with the audited financial statements for the year ended 30 September 2002.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend a final ordinary dividend.

Principal activity, trading review and future developments

The company's main activity continues to be that of motor dealers and garage proprietors.

In August 2001 the company opened a new Lexus dealership in Cambridge.

The directors consider the profit achieved on ordinary activities before taxation is satisfactory and they expect the current level of profitability to continue.

There have been no events since the balance sheet date which materially affect the position of the company.

Charitable and political contributions

During the year the company made charitable contributions of £5,030.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	2002	2001
Mr JL Turner	12,500	12,500
Mrs PE Turner	12,500	12,500
Mr IJ Turner	112,500	112,500
Mr GP Turner	112,500	112,500

TURNERS (BURY ST EDMUNDS) LIMITED

Report of the directors for the year ended 30 September 2002 (*Continued*)

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 those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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

Baker Tilly were appointed as auditors during the year and have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



— Mrs PE Turner
Secretary

TURNERS (BURY ST EDMUNDS) LIMITED

Report of the independent auditors

Independent auditors' report to Turners (Bury St Edmunds) Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 4 to 16, together with the financial statements of the company for the year ended 30 September 2002 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 16 are properly prepared in accordance with those provisions.



BAKER TILLY
*Chartered Accountants
and Registered Auditors*

87 Guildhall Street
Bury St Edmunds
Suffolk
IP33 1PU

15 May 2003

TURNERS (BURY ST EDMUNDS) LIMITED**Profit and loss account for the year ended 30 September 2002**

	Note	2002 £	2001 £
Gross profit		1,364,464	1,013,100
Administrative expenses		1,423,303	981,674
Other operating income		(168,953)	(173,178)
Operating profit	3	110,114	204,614
Interest receivable		1,000	-
Interest payable and similar charges	6	(35,354)	(28,348)
Profit on ordinary activities before taxation		75,760	176,266
Taxation on profit on ordinary activities	7	(20,046)	(48,850)
Profit on ordinary activities after taxation		55,714	127,416
Dividends	8	-	55,556
Retained profit for the year		55,714	71,860
Retained profit brought forward		851,747	779,887
Retained profit carried forward		907,461	851,747

All amounts relate to continuing activities.

The notes on pages 8 to 16 form part of these abbreviated financial statements.

TURNERS (BURY ST EDMUNDS) LIMITED

Statement of total recognised gains and losses and reconciliation of movement in shareholders' funds for the year ended 30 September 2002

	Note	2002 £	2001 £
Statement of total recognised gains and losses			
Profit for the year		55,714	127,416
Total recognised gains and losses relating to the year		<u>55,714</u>	<u>127,416</u>
Prior year adjustment		-	37,960
Total recognised gains and losses recognised since the last annual report.		<u>55,714</u>	<u>165,376</u>
 Reconciliation of movement in shareholders' funds			
Profit for the year		55,714	127,416
Dividends		-	(55,556)
Net addition to shareholders' funds		<u>55,714</u>	<u>71,860</u>
Opening shareholders' funds		1,101,747	991,927
Prior year adjustment		-	37,960
Closing shareholders' funds		<u>1,157,461</u>	<u>1,101,747</u>

The notes on pages 8 to 16 form part of these abbreviated financial statements.

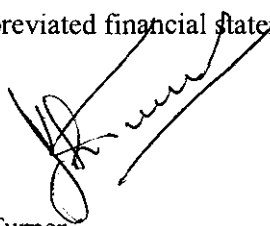
TURNERS (BURY ST EDMUNDS) LIMITED

Balance sheet at 30 September 2002

	Note	2002	2001
		£	£
Fixed assets			
Tangible assets	9	1,592,385	286,556
Current assets			
Stocks	10	1,327,886	997,680
Debtors	11	806,976	1,032,094
Cash at bank and in hand		163,402	134
		<u>2,298,264</u>	<u>2,029,908</u>
Creditors: amounts falling due within one year	11	<u>(2,659,588)</u>	<u>(1,214,717)</u>
Net current (liabilities)/assets		<u>(361,324)</u>	<u>815,191</u>
Total assets less current liabilities		<u>1,231,061</u>	<u>1,101,747</u>
Creditors: amounts falling due after more than one year	13	<u>(73,600)</u>	<u>-</u>
Net assets		<u>1,157,461</u>	<u>1,101,747</u>
Capital and reserves			
Called up share capital	14	250,000	250,000
Profit and loss account	18	907,461	851,747
Shareholders' funds – all equity		<u>1,157,461</u>	<u>1,101,747</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The abbreviated financial statements were approved by the Board on 15 May 2003.



Mr JL Turner
Director

The notes on pages 8 to 16 form part of these abbreviated financial statements.

TURNERS (BURY ST EDMUNDS) LIMITED

Cash flow statement for the year ended 30 September 2002

	Note	2002	2001
		£	£
Net cash inflow from operating activities	18	997,753	63,147
Returns on investments and servicing of finance			
Interest received		1,000	-
Interest paid		(35,354)	(28,348)
Net cash outflow from returns on investments and servicing of finance		(34,354)	(28,348)
Taxation			
UK corporation tax paid		(61,344)	(2,850)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,355,231)	(102,460)
Sale of tangible assets		2,000	-
Receipt of capital grant		80,000	-
Net cash outflow from capital expenditure and financial investment		(1,273,231)	(102,460)
Equity dividends paid		(55,556)	-
Cash outflow before management of liquid resources and financing		(426,732)	(70,511)
Financing			
Bank loan advance		800,000	-
Increase/(decrease) in cash	19	<u>373,268</u>	<u>(70,511)</u>

The notes on pages 8 to 16 form part of these abbreviated financial statements.

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Going concern

The ongoing financial viability of the company is dependent upon its ability to operate as a franchised motor dealership. The company has franchise agreements with Toyota and Lexus. In line with motor manufacturers generally, the motor manufacturers gave 12 months notice of termination of the dealership contracts with effect from 30 September 2002. The company has received letters of comfort from both of the manufacturers that it currently has a dealership agreements with that they will be offered a new contract effective from 1 October 2003. On the basis that the company will continue to trade as a franchised motor dealership in the future, the directors believe that it is appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	25 years
Improvements to leasehold property	-	over the term of the lease
Plant, machinery and motor vehicles	-	25% per annum
Fixtures, fittings and equipment	-	25% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is arrived at as follows:

Vehicles	-	purchase cost on an actual basis
Parts	-	purchase cost on an average cost basis

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

In accordance with Financial Reporting Standard No 5, Reporting the Substance of Transactions, consignment stocks are not recognised on the balance sheet because in substance they are not the assets of the company until an allocation has in principal been made to a customer order.

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

1 Accounting policies (Continued)

Pension costs

The company operates a defined contribution pension scheme for employees. The assets held in the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Capital grants

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Manufacturers' bonuses and incentives

Income received from motor manufacturers by way of performance incentives and bonuses are allocated to individual motor vehicles and recognised in the profit and loss account on the disposal of the relevant vehicle.

Operating leases

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.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

This has been arrived at after charging/(crediting):	2002 £	2001 £
Depreciation	48,842	37,559
Hire of plant and machinery - operating leases	1,415	5,870
Hire of other assets - operating leases	42,664	11,200
Auditors' remuneration	5,000	3,600
Profit on sale of fixed assets	(1,440)	-
Release of capital grant	(3,200)	-

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

4 Employees

Staff costs for all employees, including directors, consist of:

	2002 £	2001 £
Wages and salaries	811,667	549,099
Social security costs	80,663	52,046
Other pension costs	12,920	13,003
	<u>905,250</u>	<u>614,148</u>

The average number of employees of the company during the year, including directors, were as follows:

	2002 Number	2001 Number
Production	17	14
Selling	13	11
Administration	5	5
Management	4	4
	<u>39</u>	<u>34</u>

5 Directors

	2002 £	2001 £
Directors' emoluments consist of:		
Fees and remuneration	206,002	88,790
Payments to money purchase pension schemes	12,500	12,500
	<u>218,502</u>	<u>101,290</u>

There were 2 (2001 - 2) directors in the company's money purchase pension scheme.

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

6 Interest payable and similar charges

	2002 £	2001 £
Bank loans	28,799	25,518
Other	6,555	2,830
	<u>35,354</u>	<u>28,348</u>

7 Taxation on profit on ordinary activities

	2002 £	2001 £
<i>Current year</i>		
UK corporation tax	19,283	49,000
<i>Prior years</i>		
UK corporation tax	763	(150)
	<u>20,046</u>	<u>48,850</u>

The tax assessed for the period is different to that calculated by applying the small companies rate of corporation tax in the UK to the profit, as explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>75,760</u>	<u>176,266</u>
Profit on ordinary activities at the small companies rate of corporation tax in the UK of 19% (2001 – 20%)	14,394	52,880
Effects of:		
Expenses not deductible for tax purposes	2,642	3,916
Depreciation in excess of capital allowances	2,745	9
Net decrease in pension contributions paid	(384)	-
Deductions allowed	(608)	-
Change in small companies rate of corporation tax in the period	494	-
Marginal relief	-	(7,805)
Current UK corporation tax charge for the period	<u>19,283</u>	<u>49,000</u>

	2002 £	2001 £
<i>Deferred tax</i>		
Depreciation in excess of capital allowances	(2,609)	(800)
Other timing differences	384	-
	<u>(2,225)</u>	<u>(800)</u>

The deferred tax assets have not been provided for as the amounts are not material.

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

8 Dividends

	2002 £	2001 £
Proposed dividend on ordinary shares (Nilp per share: 2001 22.2p per share)	-	55,556

9 Tangible assets

	Land and Buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>					
At 1 October 2001	410,220	158,163	197,436	12,891	778,710
Additions	1,324,010	11,752	19,469	-	1,355,231
Disposals	-	(10,062)	-	-	(10,062)
At 30 September 2002	1,734,230	159,853	216,905	12,891	2,123,879
<i>Depreciation</i>					
At 1 October 2001	192,656	129,415	157,194	12,889	492,154
Provided for the year	8,717	14,021	26,104	-	48,842
Disposals	-	(9,502)	-	-	(9,502)
At 30 September 2002	201,373	133,934	183,298	12,889	531,494
<i>Net book value</i>					
At 30 September 2002	1,532,857	25,919	33,607	2	1,592,385
At 30 September 2001	217,564	28,748	40,242	2	286,556

Land and buildings

The net book value of land and buildings may be further analysed as follows:

	2002 £	2001 £
Freehold land	1,350,117	26,107
Freehold buildings	174,358	182,029
Leasehold buildings	8,382	9,428
	1,532,857	217,564

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

10 Stocks

	2002 £	2001 £
Consumable stock	46,737	44,245
Finished goods	1,281,149	953,435
	<u>1,327,886</u>	<u>997,680</u>

There was no material difference between the replacement cost of stocks and the amounts stated above.

11 Debtors

	2002 £	2001 £
Trade debtors	268,489	154,954
Amounts owed by connected undertaking (note 17)	311,985	691,789
Other debtors	154,050	126,019
Prepayments and accrued income	72,452	59,332
	<u>806,976</u>	<u>1,032,094</u>

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	6,549	216,549
Bank loan (secured)	800,000	-
Trade creditors	1,258,681	777,597
Amounts owed to connected undertaking (note 17)	415,623	47,667
Taxation and social security	105,658	16,266
Corporation tax	19,283	60,581
Other creditors	32,487	21,896
Accruals and deferred income	21,307	18,605
Dividend proposed	-	55,556
	<u>2,659,588</u>	<u>1,214,717</u>

The bank loan is secured on the company's land and buildings together with cross guarantees and debentures between the company, Turner (Ipswich) Limited and Tothill Services Limited. Further security has been provided on freehold property owned by Tothill Services Limited. The loan is repayable on demand.

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

13 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Deferred grant	<u>73,600</u>	<u>-</u>

The deferred grant will be written into the profit and loss account as follows:

	2002 £	2001 £
In more than one year but not more than two years	3,200	-
In more than two years but not more than five years	9,600	-
In more than five years	<u>60,800</u>	<u>-</u>
	<u>73,600</u>	<u>-</u>

14 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2002 Number	2001 Number	2002 £	2001 £
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

16 Commitments under operating leases

As at 30 September 2002, the company had annual commitments under non-cancellable operating leases as set out below:

	2002 Land and buildings £	2001 Land and buildings £
Operating leases which expire:		
After five years	<u>42,000</u>	<u>42,000</u>

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

17 Related party transactions

The company is under the control of the directors whose shareholdings are disclosed in the directors report. The directors also control the following connected undertakings:

Turners (Ipswich) Limited
Tothill Services Limited

During the year, the company entered into the following transactions, on normal commercial terms with the companies controlled by the directors:

	2002 £	2001 £
Turners (Ipswich) Limited management charges receivable	75,000	72,000
Tothill Services Limited management charges receivable	<u>30,000</u>	<u>29,000</u>

The amounts owed to and from the connected companies are detailed in notes 11 and 12 as appropriate.

18 Reconciliation of operating profit to net cash inflow from operating activities

	2002 £	2001 £
Operating profit	110,114	204,614
Depreciation of tangible fixed assets	48,842	37,559
Profit on sale of tangible fixed assets	(1,440)	-
Release of deferred capital grant	(3,200)	-
Increase in stocks	(330,206)	(315,319)
Decrease in debtors	225,118	10,545
Increase in creditors	<u>948,525</u>	<u>125,748</u>
Net cash inflow from operating activities	<u>997,753</u>	<u>63,147</u>

TURNERS (BURY ST EDMUNDS) LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 September 2002
(Continued)

19 Reconciliation of net cashflow to movement in net debt

	2002 £	2001 £
Increase/(decrease) in cash in the year	373,268	(70,511)
New bank loan in year	(800,000)	-
Movement in net debt in the year	(426,732)	(70,511)
Net debt at start of year	(216,415)	(145,904)
Net debt at end of year	(643,147)	(216,415)

20 Analysis of net debt

	At start of year £	Cash flow £	At end of year £
Cash at bank and in hand	134	163,268	163,402
Overdrafts	(216,549)	210,000	(6,549)
Debt due within one year	-	(800,000)	(800,000)
Total	(216,415)	(426,732)	(643,147)