

WINFORD ROAD GARAGES LIMITED

(COMPANY NUMBER 902521)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 1998



C O N T E N T S

Company Information	1
Report of the Directors	2-3
Statement of the Directors' Responsibilities	4
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Accounts	8 - 14
Detailed Profit and Loss Account (Not part of the Statutory Accounts)	15 - 17

WINFORD ROAD GARAGES LIMITED

COMPANY INFORMATION

Directors	J N Hazell G P M Taylor G M T Jeffreys D R Filer A J Hill
Secretary	G P M Taylor
Registered Office	Littleton Mills Winford Bristol BS18 8HQ
Bankers	National Westminster Bank Plc 32 Corn Street Bristol BS99 7UG
Solicitors	Burges Salmon Narrow Quay House Prince Street Bristol BS1 4AH
Auditors	Burton Sweet Thornton House Richmond Hill Clifton Bristol BS8 1AT

WINFORD ROAD GARAGES LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and accounts for the year ended 30th June, 1998.

REVIEW OF THE BUSINESS

The principal activity of the Company continued to be in the motor industry including the sale, hire and repair of motor vehicles and the sale of fuel and oil.

YEAR 2000

As discussed at length in the media, many computers and microchips only recognise date using the last two digits of the year and will therefore need to be modified or replaced to record the year 2000. Our business depends upon a computerised accounting system to prepare the accounts and record transactions. In addition, we could be affected by the systems used by our suppliers and customers. As a result we could be at risk if other parties do not deal adequately with the year 2000 issue.

The directors have assessed the risks to our business resulting from the change to the year 2000. We estimate that the total cost of upgrading the computer hardware and software will be £12,000. The upgrade will occur during the next accounting period.

It is impossible to guarantee that no year 2000 problems will remain. However, the directors feel that the company will be able to deal promptly with any failures that may occur.

DIRECTORS

The Directors at 1st July, 1997 and at 30th June, 1998 were:

J N Hazell G P M Taylor G M T Jeffreys D R Filer A J Hill

No Director had any interest in the share capital of the Company throughout the year.

G M T Jeffreys and D R Filer retire by rotation and, being eligible, have offered themselves for re-election.

AUDITORS

A resolution to re-appoint Burton Sweet as auditors will be put to the members at the Annual General Meeting.

WINFORD ROAD GARAGES LIMITED

REPORT OF THE DIRECTORS

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

G P M Taylor

Director



Bristol

✓ 18th November, 1998

WINFORD ROAD GARAGES LIMITED

STATEMENT OF 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 and 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;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue 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' REPORT TO THE MEMBERS OF

WINFORD ROAD GARAGES LIMITED

We have audited the financial statements on pages 6 to 14 which have been prepared under the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS' AND AUDITORS'

As described on page 4 the Company's Directors are responsible for the preparation of the 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 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 affairs of the Company as at 30th June, 1998 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Burton Sweet

BURTON SWEET

Chartered Accountants
Registered Auditors

Bristol

18 November, 1998

WINFORD ROAD GARAGES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
<u>TURNOVER</u>		5,496,482	4,551,838
<u>COST OF SALES</u>		5,171,590	4,272,619
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		324,892	279,219
Administrative Expenses		(262,890)	(253,177)
Other Operating Income		21,620	42,413
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>		83,622	68,455
Interest Payable	(2)	(57,029)	(42,426)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	(3)	26,593	26,029
Tax on Profit on Ordinary Activities	(4)	4,253	-
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ 22,340	£ 26,029
		<hr/>	<hr/>

All the company's activities are regarded as continuing.

The Company had no recognised gains or losses other than the loss for the year.

The notes on pages 8 to 14 form part of these accounts.

WINFORD ROAD GARAGES LIMITED

BALANCE SHEET

AS AT 30TH JUNE, 1998

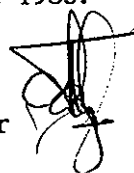
	<u>Notes</u>	<u>£</u>	<u>1998</u> <u>£</u>	<u>£</u>	<u>1997</u> <u>£</u>
<u>FIXED ASSETS</u>					
Tangible Assets	(5)		217,875		175,911
<u>CURRENT ASSETS</u>					
Stocks	(6)	305,358		279,336	
Debtors	(7)	253,593		209,678	
Cash at Bank & In Hand		983		1,085	
		<hr/>		<hr/>	
		559,934		490,099	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>					
	(8)	(680,345)		(586,849)	
		<hr/>		<hr/>	
<u>NET CURRENT ASSETS/ LIABILITIES</u>			(120,411)		(96,750)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			97,464		79,161
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>					
	(9)		(102,729)		(111,019)
<u>PROVISIONS FOR LIABILITIES & CHARGES</u>					
Deferred Tax	(11)		(4,253)		-
			<hr/>		<hr/>
			£ (9,518)		£ (31,858)
			<hr/>		<hr/>
<u>CAPITAL & RESERVES</u>					
Called Up Share Capital	(12)		22,000		22,000
Profit and Loss Account			(31,518)		(53,858)
			<hr/>		<hr/>
			£ (9,518)		£ (31,858)
			<hr/>		<hr/>

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

Approved by the Board on

14th November 1998

G P M Taylor



Director

The notes on pages 8 to 14 form part of these accounts.

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention.

b) Accounting Standards

The accounts are prepared in accordance with applicable Accounting Standards. The Company has taken advantage of the exemption in Financial Reporting Standard Number 1 from preparing a cash flow statement on the grounds that it is a small Company.

c) Turnover

Turnover other amount derived from ordinary activities and is stated net of Value Added Tax.

d) Depreciation

Depreciation is provided on all tangible fixed assets, other than hire vehicles which will not be held for more than twelve months, at rates calculated to write off the net cost, less estimated residual value, of each asset evenly over its estimated useful life, as follows:-

Plant and Machinery	-	Over 10 years
Fixtures, Fittings and Office Equipment	-	Over 5 to 10 years
Motor Vehicles	-	Over 4 years

e) Stocks

Stocks are stated at the lower of cost and net realisable value as follows:-

Motor Vehicles	-	Purchase cost
Parts	-	Purchase cost on a first-in first-out basis
Petrol	-	Purchase cost on a first-in first-out basis
Work in Progress	-	Cost of direct materials and labour plus attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

f) Deferred Taxation

Deferred taxation is provided on the liability method on all timing difference.

g) Leasing and Hire Purchase Commitments

Assets obtained under Finance Leases and Hire Purchase Agreements are capitalised in the Balance Sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss over the period of the lease or hire and represents a constant proportion of the balance of capital repayments outstanding.

h) Pension Scheme

The Company operates a managed defined contribution scheme covering the Directors and some employees. The pension cost represents the contributions payable to the pension scheme in respect of the accounting period.

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

2. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1998</u> £	<u>1997</u> £
On Bank Overdraft & Loans wholly repayable within five years	19,924	20,622
On Hire Purchase	35,976	21,129
Other Interest	1,129	675
	<hr/>	<hr/>
	£ 57,029	£ 42,426
	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1998</u> £	<u>1997</u> £
The Profit before taxation is stated after charging and after crediting:		
Other assistance monies receivable	(15,707)	(26,524)
Management charge to associated Company (20,000)		(40,000)
Auditors' Remuneration	3,281	5,475
Pension contribution for employees	845	780
<u>Depreciation of Tangible Fixed Assets:</u>		
Owned Assets	13,020	17,857
Assets held under Hire Purchase Contracts	6,132	940
Directors' Emoluments	78,941	72,565
Directors' Pension contributions	4,521	4,173
	<hr/>	<hr/>
Money Purchase Pensions		
Number of directors accruing benefits	4	4

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1998</u> £	<u>1997</u> £
Corporation Tax @ 21% (1997: 23%)		
Transfer from Deferred Taxation	-	-
Relating to Ordinary Activities	4,253	-
	<hr/>	<hr/>
	£ 4,253	£ -
	<hr/>	<hr/>

There is no tax charge for the year due to losses brought forward.

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

5. TANGIBLE FIXED ASSETS

	<u>Fixtures, Fittings & Office Equipment</u>	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST</u>				
At 1st July, 1997	93,104	119,197	136,753	349,054
Additions	-	21,001	149,502	170,503
Disposals	-	-	(133,753)	(133,753)
At 30th June, 1998	£ 93,104	140,198	152,502	385,804
<u>DEPRECIATION</u>				
At 1st July, 1997	75,323	74,843	22,977	173,143
Charge for the Year	4,719	7,851	6,582	19,152
Disposals	-	-	(24,366)	(24,366)
At 30th June, 1998	£ 80,042	82,694	5,193	167,929
<u>NET BOOK VALUE</u>				
At 30th June, 1998	£ 13,062	57,504	147,309	217,875
<u>NET BOOK VALUE</u>				
At 30th June, 1997	£ 17,781	44,354	113,776	175,911

The net book value of fixed assets includes an amount of £107,543 (1997:£50,479) in respect of assets held under Hire Purchase Contracts.

6. STOCKS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Raw Materials & Consumables	4,586	8,662
Work in Progress	1,927	1,622
Goods for Resale	298,845	269,052
	<u>£ 305,358</u>	<u>£279,336</u>

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

7. DEBTORS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Trade Debtors	200,244	171,352
Prepayments and Accrued Income	53,349	38,326
	<hr/>	<hr/>
	£253,593	£209,678
	<hr/>	<hr/>

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Bank Overdraft	107,024	200,887
Trade Creditors	246,911	178,292
Other Creditors	316,268	189,214
Accruals and Deferred Income	10,142	18,456
	<hr/>	<hr/>
	£680,345	£586,849
	<hr/>	<hr/>

The bank overdraft of £107,024 (1997 £200,887) is secured by a debenture charging all of the Company's assets.

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Deferred Loan	31,728	47,572
Directors' Loan Account	50,000	50,000
Hire Purchase Account	21,001	13,447
	<hr/>	<hr/>
	£ 102,729	£ 111,019
	<hr/>	<hr/>

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

10. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Amounts due on car fleet	84,393	33,910
Vehicle stocks	177,693	109,792
	<hr/>	<hr/>
	262,086	143,702
Other fixed assets	6,218	6,844
	<hr/>	<hr/>
Amounts falling due within one year	268,304	150,546
Amounts falling due after more than one year	21,001	13,447
	<hr/>	<hr/>
	£289,305	£163,993
	<hr/>	<hr/>

11. DEFERRED TAXATION

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Capital Allowances in Advance of Depreciation	28,743	27,551
Notional Credit for Corporation Tax Losses	(5,292)	(8,353)
ACT Recoverable	(19,198)	(19,198)
	<hr/>	<hr/>
	£ 4,253	£ -
	<hr/>	<hr/>

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

12. SHARE CAPITAL

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Authorised:	£50,000	£50,000
Allotted, Issued and Fully Paid:		
'B' Deferred Shares of £1 each	20,000	20,000
Ordinary Shares of 10p each	2,000	2,000
	£22,000	£22,000

13. ULTIMATE HOLDING COMPANY

Premieredge Limited, a company incorporated in the United Kingdom, is the ultimate holding company and is controlled by Mr JN Hazell and Mr GPM Taylor by virtue of their directorships and 90% shareholdings in the company.

14. PROFIT AND LOSS ACCOUNT

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
At 1st July, 1997	(53,858)	(79,887)
Retained Profit	22,340	26,029
	£(31,518)	£(53,858)

WINFORD ROAD GARAGES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE, 1998

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u> £	<u>1997</u> £
Profit for Financial Year	22,340	26,029
Balance at 30th June, 1997	(31,858)	(57,887)
	<u>£ (9,518)</u>	<u>£(31,858)</u>

Shareholders' Funds consist of Equity Interests Only.

16. OPERATING LEASE COMMITMENTS

At 30th June 1998 the company had annual commitments under non-cancellable operating leases as set out below.

	<u>Land and buildings</u>	
	<u>1998</u> £	<u>1997</u> £
Operating leases which expire:		
After more than five years	£ 53,000	£ 53,000

17. RELATED PARTY TRANSACTIONS

Included within trade debtors, note 7 are the following amounts owed by related parties:

	<u>1998</u> £	<u>1997</u> £
Winford Red Limited	75,611	77,505
Lectern Properties Limited	7,991	-

The following transactions have taken place with the respective parties:

	<u>1998</u> £	<u>1997</u> £
Rent paid:		
Winford Red Limited	27,000	27,000
Lectern Properties Limited	26,000	26,000
Management charges received		
Winford Red Limited	20,000	40,000

JN Hazell and GPM Taylor are directors and shareholders in Winford Red Limited. GMT Jeffreys is a Director. All three are directors and shareholders in Lectern Properties Limited.

GMT Jeffreys received £6,000 (1997 £6,000) in respect of accounting services.

The directors' loan account in creditors falling due after more than one year £50,000 (1997 £50,000) is that of GPM Taylor. It is interest free and it has been agreed as repayable in more than one year.

Contingent Liability:

The Company has guaranteed liabilities of Winford Red Limited and Lectern Properties Limited amounting to £242,539 (1997 £262,535).