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PILLING (SALES) LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER, 1990

COMPANIES HOUSE

28 MAR 1991

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Hardcastle Burton
Chartered Accountants

156 Northwood Way, Northwood, Middx. HA8 1RB
'Old School' The Common, Redbourn, St. Albans, Herts. AL3 7NG
'Cardigan Lodge', The Avenue, Newmarket, Suffolk CB8 9AA

PILLING (SALES) LIMITED

COMPANY NUMBER 993353

REPORT OF THE DIRECTORS

The directors submit their annual report and the audited accounts of the Company for the year ended 31st December, 1990.

THE BUSINESS OF THE COMPANY

The principal activity of the Company is that of garage proprietors.

During the year the Company acquired freehold premises at 321 London Road, Hemel Hempstead, Herts. There have been no other changes in operations or abnormal events either during the year or since the balance sheet date. In the opinion of the directors there are no matters not disclosed relating to the past present or future activities of the Company which could materially affect the members' appreciation of the state of the Company's affairs.

SHARE CAPITAL

There have been no alternations to capital structure during the year.

DIRECTORS AND SHAREHOLDINGS

Directors who have served in the period under review and their interests in the share capital of the Company throughout the period were as follows:-

H.W. Pilling	Chairman	1,700
C.G. Pilling		124,150
K.J. Pilling		124,150
Mrs. G.I. Pilling		-
		<hr/>
		250,000
		<hr/>

In accordance with the articles of association, C.G. Pilling retires from the board at the annual general meeting and, being eligible, offers himself for re-election.

There are no special arrangements for the directors to acquire shares or debentures in the Company.

RESULTS AND DIVIDEND

The profit for the year, after taxation was £23,701 and after taking into account an interim dividend of £30,000 (12 pence per ordinary share) paid during the year, there is a deficit for the year of £6,299 which is deducted from the balance of retained profit brought forward.

There have been no other movements in reserves.

PILLING (SALES) LIMITED

COMPANY NUMBER 993353

REPORT OF THE DIRECTORS -2-

FIXED ASSETS

The changes in fixed assets during the year are set out in note 8 to the accounts, and reflect only the normal requirements of the maintenance and development of the business.

CLOSE COMPANY PROVISIONS

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the Company.

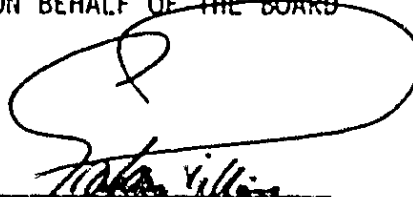
AUDITORS

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

APPROVAL OF ACCOUNTS

These accounts were approved at a meeting of directors held on 7th March, 1991.

ON BEHALF OF THE BOARD

A large, stylized handwritten signature, likely of C.G. Pilling, is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

C.G. PILLING
COMPANY SECRETARY

Dated this 7th day of March, 1991

PILLING (SALES) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE

YEAR ENDED 31ST DECEMBER, 1990

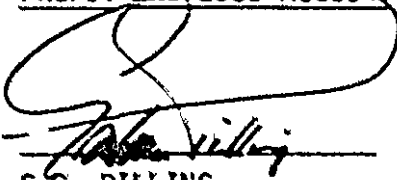
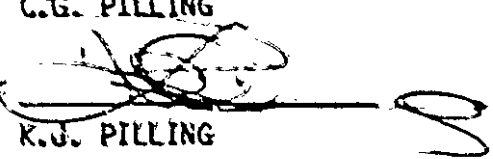
	<u>Notes</u>	£	£
<u>TURNOVER</u>	2		11,554,019
Purchases			10,000,784
			<u>1,553,235</u>
Staff costs	3	851,545	
Other expenses		669,689	
			<u>1,521,234</u>
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>	4		32,001
Taxation	7		8,300
<u>PROFIT FOR THE YEAR</u> <u>AFTER TAXATION</u>			<u>23,701</u>
Dividend			30,000
			<u>(6,299)</u>
Retained profit brought forward			43,189
<u>RETAINED PROFIT CARRIED FORWARD</u>			<u>36,890</u>

PILLING (SALES) LIMITED

BALANCE SHEET

AS AT

31ST DECEMBER, 1990

	Notes	£	£
<u>FIXED ASSETS</u>			
Tangible assets	8	999,661	
Less: Mortgage	11	551,000	
			448,661
<u>CURRENT ASSETS</u>			
Stocks	9	597,461	
Debtors	10	74,348	
Cash in hand		287	
		672,096	
<u>CREDITORS: Amounts falling due within one year</u>	11	829,292	
<u>NET CURRENT LIABILITIES</u>			(157,196)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			291,465
<u>CREDITORS: Amounts falling due after more than one year</u>			
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Deferred taxation	1c		(4,575)
			286,890
<u>SHARE CAPITAL</u>			
Authorised: 500,000 ordinary shares of £1 each		500,000	500,000
Issued and fully paid: 250,000 ordinary shares of £1 each		250,000	250,000
<u>PROFIT AND LOSS ACCOUNT</u>		36,890	43,189
		286,890	293,189
 C.G. PILLING			
 K.J. PILLING			

PILLING (SALES) LIMITED

STATEMENT OF SOURCES AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST DECEMBER, 1990

	£	£
Funds have been derived from the following sources:-		
Profit on ordinary activities (see below)	54,065	
Increase in bank borrowings	313,667	
Reduction of cash and bank balances	-	
Additional credit from suppliers of goods and services	-	
Reduction of credit given to customers	75,812	
Reduction of stocks	154,838	
	<u>598,382</u>	
These funds have been applied as follows:-		
Corporation tax paid	201	44,402
Purchase of tangible fixed assets	389,762	241,393
Increase in cash and bank balances	247	
Reduction of credit from suppliers of goods and services	178,172	
Dividends paid	30,000	25,000
Reduction bank borrowings	-	15,320
	<u>598,382</u>	<u>326,115</u>
Profit on ordinary activities is:-		
as per Profit and Loss Account, before taxation	32,001	23,486
adjusted for items not involving payment of funds:-		
Depreciation	22,064	22,167
	<u>54,065</u>	<u>45,653</u>

PILLING (SALES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1990

1. ACCOUNTING POLICIES

- a) These accounts have been prepared under the historical cost convention.

b) DEPRECIATION

i) Freehold property:

The Company maintains its premises to a standard at which they can reasonably be expected not to permanently deteriorate and the directors cannot envisage a situation in which they would become obsolete or otherwise unfit for the Company's purpose. The directors, therefore, do not consider it currently necessary to provide for depreciation, though its policy will be reviewed each year.

ii) Leasehold property:

Depreciation is provided on a straight line basis.

iii) Plant, vehicles and equipment:

Depreciation is provided at the rate of 20% per annum on the net book value. A full year's charge is made in the year of acquisition and none is provided in the year of disposal.

iv) Office furniture and fittings:

Depreciation is provided at the rate of 20% per annum on the net book value. A full year's charge is made in the year of acquisition and none is provided in the year of disposal.

c) DEFERRED TAXATION

Provision for deferred taxation has been made in respect of accelerated capital allowances.

PILLING (SALES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1990

PROFIT AND LOSS ACCOUNT

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax). The whole of the turnover and profit is attributable to the principal activity and is derived wholly from within the United Kingdom.

3. STAFF COSTS

	<u>1990</u>	<u>1989</u>
	£	£
Wages and salaries	733,781	714,156
Employers social security costs	64,735	65,193
Employers other pension costs	53,029	43,621
	<u>851,545</u>	<u>822,970</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1990</u>	<u>1989</u>
	£	£
This is stated after charging:-		
Directors' emoluments (see note 5)	115,000	135,000
Auditors' remuneration	15,250	15,750
Depreciation	22,064	22,167
Interest payable (see note 6)	<u>301,603</u>	<u>232,591</u>

5. DIRECTORS' EMOLUMENTS

	<u>1990</u>	<u>1989</u>
	£	£
Fees	83,000	103,000
Pension contributions	32,000	32,000
	<u>115,000</u>	<u>135,000</u>

The remuneration of the Chairman was nil. The remuneration of the other directors was in the range:-

	<u>1990</u>	<u>1989</u>
	2	2
Nil	1	1
£35,001 - £40,000	1	1
£40,001 - £45,000	1	1
£45,001 - £50,000	1	1
£50,001 - £55,000	1	1

PILLING (SALES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1990

PROFIT AND LOSS ACCOUNT

6. INTEREST PAYABLE

	<u>1990</u>	<u>1989</u>
	£	£
Bank loans and overdrafts	122,214	95,238
Other loans wholly repayable within five years	179,389	137,353
	<u>301,603</u>	<u>232,591</u>

7. TAXATION

Provision has been made for a corporation tax liability at the rate applicable to small companies on the profit shown by the accounts as adjusted for tax purposes.

	<u>1990</u>	<u>1989</u>
	£	£
Corporation tax for the year	10,167	8,132
Deferred taxation (see note 1c)	(1,867)	-
	<u>8,300</u>	<u>8,132</u>

PILLING (SALES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1990

BALANCE SHEET

8. TANGIBLE FIXED ASSETS

	TOTAL	FREEHOLD PROPERTY	LEASEHOLD PREMISES	PLANT, VEHICLES AND EQUIPMENT	OFFICE FURNITURE AND FITTINGS
	£	£	£	£	£
<u>COST</u>					
at 1st January, 1990	809,424	565,453	86,898	137,725	19,348
Additions	389,762	375,549	-	12,930	1,283
at 31st December, 1990	1,199,185	941,002	86,898	150,655	20,631
<u>DEPRECIATION</u>					
at 1st January, 1990	177,461	-	79,292	84,763	13,406
provided	22,064	-	7,441	13,178	1,445
at 31st December, 1990	199,525	-	86,733	97,941	14,851
<u>NET BOOK VALUE</u>					
at 1st January, 1990	631,963	565,453	7,606	52,962	5,942
at 31st December, 1990	999,661	941,002	165	52,714	5,780

9. STOCKS

	<u>1990</u>	<u>1989</u>
	£	£
Raw materials and consumables	136,352	105,379
Finished goods and goods for resale	461,109	646,920
	<u>597,461</u>	<u>752,299</u>

Stocks have been valued by the directors at the lower of cost and net realisable value.

PILLING (SALES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1990

BALANCE SHEET

10. DEBTORS

	<u>1990</u>	<u>1989</u>
	£	£
Trade debtors	46,238	120,470
Other debtors (see below)	14,886	7,210
Prepayments and accrued income	13,224	22,279
Advance corporation tax recoverable	-	201
	<u>74,348</u>	<u>150,160</u>

Other debtors represents amounts owed by associated companies.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1990</u>	<u>1989</u>
	£	£
<u>SUNDRY CREDITORS</u>		
Trade creditors	60,024	216,738
Current corporation tax	9,966	-
Other taxes and social security costs	47,516	53,823
Other creditors	22,789	21,433
Accruals	4,599	20,341
Directors current accounts	20,823	21,588
	<u>165,717</u>	<u>333,923</u>
<u>LOANS, MORTGAGES AND OVERDRAFTS</u>		
Mortgage and bank overdraft (see below)	267,950	279,033
Stocking loans (see below)	380,000	380,000
Other loans (see below)	15,625	21,875
	<u>663,575</u>	<u>680,908</u>
<u>TOTAL CREDITORS</u>	<u>829,292</u>	<u>1,014,831</u>

The mortgage and bank overdraft is secured by:-

- i) A debenture on the bank's standard form.
- ii) Mortgages on the freehold property at Whelpley Ash Farm, Bovington, London Road, Two Waters, Hemel Hempstead and 321 London Road, Hemel Hempstead.

The stocking loans are secured by a floating charge over all stocks of vehicles and the personal guarantees of the directors, Pilling (M.K.) Limited and Pilling (Coachbuilders) Limited.

The other loan relates to Burmah Oil Trading Limited and is secured by a second legal charge over the freehold property at Two Waters, Hemel Hempstead.

12. CONTINGENT LIABILITIES

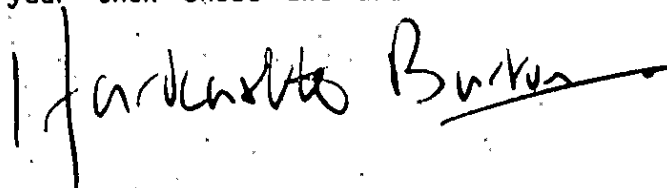
The Company has given unlimited guarantees to the bankers of Pilling (Coachbuilders) Limited and Pilling (M.K.) Limited covering any liabilities due to the bank.

PILLING (SALES) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF PILLING (SALES) LIMITED

We have audited the financial statements on pages 3 to 10. Our audit was conducted in accordance with Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at 31st December, 1990 and of its results and source and application of funds for the year then ended and are in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Hardcastle Burton', with a horizontal line drawn through the end of the signature.

HARDCASTLE BURTON
CHARTERED ACCOUNTANTS
AUDITORS

Old School, The Common, Redbourn, Herts.

Dated this 7th day of March, 1991