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S. HALL MOTORS (WARRINGTON) LIMITED.

ACCOUNTS FOR THE YEAR ENDED 30TH. JUNE, 1989.

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S. HALL MOTORS (WARRINGTON) LIMITED.

Directors' Report

The Directors submit their Report and Accounts for the year ended 30th. June, 1989.

Principal Activity

The principal activity of the Company continues to be that of the sale and repair of motor vehicles and the sale of petrol, oil and motor accessories.

Review of the Business

At the time of last years report, the Directors expressed their confidence in the year ahead. This confidence was well-founded with the Company having produced another excellent years results. Turnover increased from £4,468,809 to £6,922,710 and net profit from £67,801 to £135,565.

The current year has again started well and although it might be difficult for the Company to maintain its recent levels of growth, a further satisfactory year is anticipated.

Fixed Assets

Full details of the changes in fixed assets are shown in Note 1.

Directors

The Directors who acted during the year and their shareholdings were:-

	Interest at beginning and end of the Year
S. Hall.	9740
Mrs. J. Hall.	9740

Events since the end of the Year

There have been no material events since the end of the year.

By Order of the Board

S. HALL MOTORS (WARRINGTON) LIMITED.

Balance Sheet as at 30th. June, 1989.

1988

	<u>Fixed Assets</u>	<u>Notes</u>	
306202	Tangible Assets	1a	403341
3000	Investments	1b	13000
<u>309202</u>			<u>416341</u>
	<u>Current Assets</u>		
610471	Stock	2	1122513
497427	Debtors	3	548873
113	Cash in Hand		24
<u>1108011</u>			<u>1671410</u>
1270240	<u>Less:- Creditors - Amounts Falling Due</u> Within One Year	4	1854238
<u>(162229)</u>			
146973	<u>Net Current Liabilities</u>		<u>(182828)</u>
	<u>Total Assets Less Current Liabilities</u>		<u>233513</u>
77398	<u>Less:- Creditors - Amounts Falling Due</u> After More Than One Year	5	74856
<u>69575</u>	<u>Net Assets</u>		<u>158657</u>
	<u>Represented By:-</u>		
19480	<u>Called-Up Share Capital</u>	6	19480
53990	<u>Capital Reserve</u>	7	53990
	<u>Revenue Reserve</u>		
<u>(3895)</u>	Profit and Loss Account		<u>85187</u>
<u>69575</u>			<u>158657</u>

Good
Hall

S. HALL MOTORS (WARRINGTON) LIMITED.

Profit and Loss Accounts
for the year ended 30th. June, 1989.

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
Turnover	7	6922710	4468809
Operating Costs		6737760	4358979
Interest Payable	9	49385	42029
		<hr/>	<hr/>
		6787145	4401008
Profit on Ordinary Activities before Taxation		<hr/>	<hr/>
		135565	67801
Tax on Profit on Ordinary Activities		60883	-
		<hr/>	<hr/>
		74682	67801
<u>Other Income</u>			
Grant Received		14400	14400
<u>Profit on the Year</u>		<hr/>	<hr/>
		89082	82201
Taxation Written-Back		-	7880
		<hr/>	<hr/>
		89082	90081
Balance Brought Forward		(3895)	(93976)
		<hr/>	<hr/>
Balance Carried Forward		85187	(3895)
		<hr/>	<hr/>

S. HALL MOTORS (WARRINGTON) LIMITED.

Notes to the Accounts

1.a) Tangible Fixed Assets

	<u>Total</u>	<u>Land and Building</u>			<u>Fixtures Fittings Plant and Machinery</u>	<u>Motor Vehicles</u>
		<u>Short Leasehold</u>	<u>Freehold</u>	<u>Long Leasehold</u>		
<u>Cost:-</u>						
As at 1.7.88.	386906	4728	189750	65000	123415	4013
Additions	123319		46091		42228	35000
As at 30.6.89.	510225	4728	235841	65000	165643	39013
<u>Depreciation:-</u>						
As at 1.7.88.	80704	1686	3150	1079	71410	3379
Charge for Year	26180	209	4020	1079	11963	8909
As at 30.6.89.	106884	1895	7170	2158	83373	12288
N.B.V. at 30.6.89.	403341	2833	228671	62842	82270	26725
N.B.V. at 30.6.88.	306202	3042	186600	63921	52005	634

b) Investments

<u>Subsidiaries</u>	<u>Country of Incorporation</u>	<u>Class of Share Capital Held</u>	<u>Proportion Held By Holding Company</u>	<u>Cost £</u>	<u>Nature of Business</u>
S. Hall Motors (Widnes) Ltd.	England	Ordinary	100%	1000	Motor Trade
S. Hall Motors (Chorley) Ltd.	England	Ordinary	100%	1000	Motor Trade
Kerfoot Motors (Sales) Ltd.	England	Ordinary	100%	1000	Motor Trade
S. Hall Motors (Fleet) Ltd.	England	Ordinary	100%	10000	Motor Trade

2. Stocks

This comprises:-

	<u>1989</u>	<u>1988</u>
Goods for Re-Sale	444462	295011
Stocks Held on Consignment	678051	315460
	<u>1122513</u>	<u>610471</u>

3. Debtors

This comprises:-

	<u>1989</u>	<u>1988</u>
Trade Debtors	251256	242296
Amounts Owed by Group Companies	271538	225921
Corporation Tax Repayable	-	24357
Prepayments and Accrued Income	11652	4853
Other Debtors	14427	-
	<u>548873</u>	<u>497427</u>

4.a) Creditors - Amounts Falling Due Within One Year

This comprises:-

	<u>1989</u>	<u>1988</u>
Bank Overdraft	218694	170692
Trade Creditors	364728	327620
Amounts Owed to Group Companies	11356	9523
Social Security and Other Taxes	45847	36527
Stocking Loans (See Note Below)	342289	310000
Accruals and Deferred Income	61987	18753
Mortgages	6800	6600
Corporation Tax	36526	-
Loan from Pension Scheme	78360	66500
Hire Purchase	8198	5322
Directors' Current Account	1422	3243
Creditor Re: Consignment Stock (Secured)	<u>678051</u>	<u>315460</u>
	<u>1854238</u>	<u>1270240</u>

- b) The stocking loans are secured by a fixed charge over vehicles owned by the Group, together with a Directors personal guarantee.

The bank overdraft is secured by a fixed charge on property, together with a Directors personal guarantee and a cross guarantee from other members of the Group.

The mortgages are secured by fixed charges on property.

5. Creditors - Amounts Falling Due After More Than One Year

This comprises:-

	<u>1989</u>	<u>1988</u>
Mortgages	67770	76641
Hire Purchase Creditor	<u>7086</u>	<u>757</u>
	<u>74856</u>	<u>77398</u>

6. Called-Up Share Capital

	<u>1989</u>	<u>1988</u>
Authorised:		
100000 Ordinary Shares of £1. each.	100000	100000
Issued:		
19480 Ordinary Shares of £1. each, fully paid.	19480	19480
	<u> </u>	<u> </u>

7. Capital Reserve

This comprises:-	<u>1989</u>	<u>1988</u>
Surplus Arising on Property Revaluation	53990	53990
	<u> </u>	<u> </u>

8. Taxation

Taxation has been provided for on the profit for the year, calculated at the appropriate rate.

9. Turnover

Turnover represents amounts invoiced by the Company in respect of goods sold and services provided during the year, excluding value added tax.

10. Staff Number and Costs

The average number of persons employed by the Company (including Directors) during the year were as follows:-

	<u>1989</u>	<u>1988</u>
Management	9	9
Administration	10	7
Sales and Service	43	34
	<u> </u>	<u> </u>
	62	50
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:-

	<u>1989</u>	<u>1988</u>
Wages and Salaries	472076	373266
Social Security Costs	44064	25852
Pension Premiums	2033	1144
	<u> </u>	<u> </u>
	518173	400282
	<u> </u>	<u> </u>

11. Interest Payable

This comprises:-

	<u>1989</u>	<u>1988</u>
On Bank Overdraft	4308	7904
On Hire Purchase	5687	1582
On Loans and Mortgages	39390	32543
	<u>49385</u>	<u>42029</u>

12. Profit before Taxation

Profit before Taxation is stated after charging:-

	<u>1989</u>	<u>1988</u>
Directors' Remuneration and Pension Contributions	52500	35695
Auditors' Remuneration	6000	6000
Depreciation	26180	13565
Hire of Equipment	9058	6250
Loss on Sale of Fixed Assets	-	227
	<u> </u>	<u> </u>

13. Accounting Policies1) Depreciation:-

Depreciation is provided to write-off the cost of fixed assets over their useful lives as follows:-

	<u>1989</u>	<u>1988</u>
Short Leasehold	Period of Lease	Period of Lease
Freehold and Long Leasehold	60 Years	60 Years
Plant and Equipment	15%	15%
Motor Vehicles	25%	25%
	<u> </u>	<u> </u>

ii) Stock

Stock is valued at the lower of cost and not realisable value.

iii) Group Financial Statements

The Company has not produced Group Financial Statements as the result would be misleading and be of no real value to the members.

14. Directors' Emoluments

	<u>1989</u>	<u>1988</u>
Chairman	35000	22711
Other Director	17500	12984
	<u> </u>	<u> </u>

Continuation

15. Capital Commitments

There were no capital commitments at 30th. June, 1989.

16. Contingent Liabilities

There is a guarantee to the Company's bankers in respect of the borrowings by the members of the Group.

S. HALL MOTORS (WARRINGTON) LIMITED.

Statement of Source and Application of Funds
for the year ended 30th. June, 1989.

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
<u>Source of Funds:-</u>			
From Operations:-			
Profit on Ordinary Activities before Taxation		149965	82201
Adjustment for items not involving the movement of funds:-			
Depreciation	13	26180	13565
Loss on Disposal of Tangible Fixed Assets		-	227
		<u>176145</u>	<u>95993</u>
<u>Funds from Other Sources:-</u>			
Proceeds on Disposal of Tangible Fixed Assets		-	950
		<u>176145</u>	<u>96943</u>
<u>Application of Funds:-</u>			
Purchase of Tangible Fixed Assets		(123319)	(13329)
Purchase of Investment		(10000)	-
		<u> </u>	<u> </u>
<u>Net Inflow of Funds:-</u>		<u>42826</u>	<u>83623</u>
<u>Increase/Decrease in Working Capital</u>			
Group Companies : Debtors		45617	(37872)
: Creditors		(1833)	(9523)
Stock		512042	23377
Debtors		30186	84983
Creditors - Amounts Falling Due Within One Year		(497637)	(98895)
Creditors - Amounts Falling Due After More Than One Year		2542	6890
		<u>90917</u>	<u>(31040)</u>
<u>Net Liquid Funds:-</u>			
Cash at Bank and in Hand		(89)	57
Bank Overdraft		(48002)	114606
		<u> </u>	<u> </u>
<u>Net Increase in Working Capital</u>		<u>42826</u>	<u>83623</u>

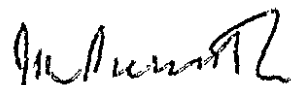
S. HALL MOTORS (WARRINGTON) LIMITED.

ACCOUNTS FOR THE YEAR ENDED 30TH. JUNE, 1989.

AUDITORS' REPORT

We have audited the annexed financial statements in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, give a true and fair view of the state of the Company's affairs at 30th. June, 1989, and of the profit and source and application of funds for the year ended on that date and comply with The Companies Act 1985.



J.M. Prescott & Co.,
Chartered Accountants.

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