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S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

Year ended 31st December, 1984

GRANT THORNTON  
1, STANLEY STREET,  
LIVERPOOL.



S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31st December, 1984.

1. Principal activities

The group is principally engaged in the sale and repair of motor vehicles and the sale of petrol, oil and motor accessories.

2. Results

The loss for the year after taxation and extraordinary item amounted to £98,557 (1983: Profit £24,170). The directors do not recommend payment of a dividend and the loss has been deducted from reserves.

The company has experienced problems with its accounting systems during and since the year end, and certain key controls have lapsed during the period. This has resulted in a qualified audit report as set out on page 3.

The directors have since taken steps to remedy this situation and are implementing procedures to ensure that the accounting systems operate properly in the future.

3. Directors

The directors in office at the end of the year are listed below. Both served on the Board throughout the year.

The beneficial interests of the directors and their families in the shares of the company and its subsidiaries at 31st December, 1983 and at 31st December, 1984, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	<u>1984 and 1983</u>	
	<u>This Company</u>	<u>Subsidiaries</u>
S. Hall	9,740	-
Mrs. J. Hall	9,740	-

In the period between 31st December, 1983 and 31st December, 1984, there was no change in these holdings.

No director had, during or at the end of the year, any material interest in a contract which was significant in relation to the company's business.

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS (CONTINUED)

4. Fixed assets

Movements

The principal items of capital expenditure were computer equipment amounting to £25,447 and leasehold improvements amounting to £53,720.

5. Tax status

The directors are of the opinion that the company is a close company within the provisions of the Income and Corporation Taxes Act, 1970.

6. Auditors

Grant Thornton (formerly Thornton Baker) offer themselves for re-appointment as auditors in accordance with Section 384(1) of the Companies Act, 1985.

Registered Office:

23, Folly Lane,  
Warrington, WA5 5LZ.

27th August, 1986

BY ORDER OF THE BOARD

J. HALL

Secretary.



REPORT OF THE AUDITORS

TO THE MEMBERS OF

S. HALL MOTORS (WARRINGTON) LIMITED

We have audited the financial statements on pages 4 to 17 in accordance with approved Auditing Standards, except that the scope of our work was limited by the matters referred to below.

As indicated in the directors report, the company has experienced problems with its accounting systems, as a result of which we have been unable to carry out all the auditing procedures or to obtain all the information and explanations we considered necessary.

Because of the significance of the matter referred to above, we are unable to form an opinion, as to (i) whether the financial statements give a true and fair view of the group's affairs as at 31st December, 1984 and of its loss and source and application of funds for the year then ended, (ii) whether proper accounting records have been kept (iii) whether the financial statements comply in all respects with the Companies Act 1985.

GRANT THORNTON

LIVERPOOL.

CHARTERED ACCOUNTANTS

27th August, 1986

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31ST DECEMBER, 1984

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the group have remained unchanged from the previous year, and are set out below.

(a) Basis of consolidation

The group financial statements consolidate the financial statements of the company and of its subsidiaries. The financial statements of each company in the group have been prepared to 31st December, 1984. All intragroup profits are eliminated on consolidation.

(b) Turnover

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied as a principal and for services provided excluding VAT.

(c) Depreciation

Depreciation is calculated to write down the cost of all fixed assets by equal annual instalments over their expected useful lives.

The periods applicable are:

Short leasehold	- period of lease
Freehold and long leasehold premises	- 60 years
Plant and equipment	- 5 years/10 years
Commercial motor vehicles	- 3 years
Other motor vehicles	- 5 years

(d) Stock

Stock is stated at the lower of cost and net realisable value.

Cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis.

Net realisable value means estimated selling price (less trade discounts) less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

(e) Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements and has been provided for in full.

Transfers to and from deferred taxation are calculated taking account of current and future rates of corporation tax, adjusting for any changes in rate as compared with the preceding period.

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1984

	Note	1984		1983	
		£	£	£	£
Turnover	1		8,444,242		6,682,706
Cost of sales			<u>8,108,713</u>		<u>6,292,362</u>
Gross profit			335,529		390,344
Administrative expenses		(503,258)		(320,095)	
Other charges	1	<u>(127,752)</u>	(631,010)	<u>(102,317)</u>	(422,412)
Other operating income			<u>298,310</u>		<u>169,217</u>
Operating profit			2,829		137,149
Interest payable and similar charges	2		(119,984)		(80,007)
(Loss)/profit on ordinary activities before taxation	1		<u>(117,155)</u>		<u>57,142</u>
Tax on (loss)/profit on ordinary activities	4		38,414		(21,387)
(Loss)/profit on ordinary activities after taxation			<u>(78,741)</u>		<u>35,755</u>
Extraordinary item	5		(19,816)		(11,585)
(Loss)/profit for the financial year sustained/retained			<u>£ (98,557)</u>		<u>£ 24,170</u>
(Loss) sustained/profit retained					
By the company			£ (70,332)		£ 36,839
By subsidiaries			<u>£ (28,225)</u>		<u>£ (12,669)</u>

The accounting policies and notes on pages 4 and 9 to 17 form part of these financial statements.


S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

GROUP BALANCE SHEET AT 31ST DECEMBER, 1984

	Note	1984		1983	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		9,500		-
Tangible assets	8		<u>629,118</u>		<u>560,779</u>
			638,618		560,779
<b>Current assets</b>					
Stocks	10	891,859		885,456	
Debtors	11	282,258		250,172	
Cash at bank in hand		<u>10,640</u>		<u>35,044</u>	
		1,184,757		1,170,672	
Creditors: amounts falling due within one year	12	<u>1,501,640</u>		<u>1,283,827</u>	
Net current liabilities			(316,883)		(113,155)
<b>Total assets less current liabilities</b>			321,735		447,624
Creditors: amounts falling due after more than one year	13	205,450		212,046	
Provisions for liabilities and charges	14	27,823		68,375	
Provision for extraordinary loss	5	<u>19,816</u>		<u>-</u>	
			(253,089)		(280,421)
			£ <u>68,646</u>		£ <u>167,203</u>
<b>Capital and reserves</b>					
Called up share capital	16		19,480		19,480
Profit and loss account	17		<u>49,166</u>		<u>147,723</u>
			£ <u>68,646</u>		£ <u>167,203</u>

These financial statements were approved by the Board of Directors on 27th August, 1986.

 S. HALL )  
 J. HALL ) DIRECTORS



The accounting policies and notes on pages 4 and 9 to 17 form part of these financial statements.

S. HALL MOTORS (WARRINGTON) LIMITED

BALANCE SHEET AT 31ST DECEMBER, 1984

	<u>Note</u>	<u>1984</u>		<u>1983</u>	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		413,633		407,738
Investments	9		<u>3,000</u>		<u>3,000</u>
			416,633		410,738
<b>Current assets</b>					
Stocks	10	219,718		300,778	
Debtors	11	402,619		343,099	
Cash at bank and in hand		<u>549</u>		<u>571</u>	
		622,886		644,448	
Creditors: amounts falling due within one year	12	<u>792,011</u>		<u>693,958</u>	
Net current liabilities			(169,125)		(49,510)
Total assets less current liabilities			247,508		361,228
Creditors: amounts falling due after more than one year	13	124,066		128,340	
Provisions for liabilities and charges	14	<u>17,498</u>		<u>56,612</u>	
			(141,564)		(184,952)
			£ <u>105,944</u>		£ <u>176,276</u>
<b>Capital and reserves</b>					
Called up share capital	16		19,480		19,480
Profit and loss account	17		<u>86,464</u>		<u>156,796</u>
			£ <u>105,944</u>		£ <u>176,276</u>

These financial statements were approved by the Board of Directors on 27th August, 1986.

 S. HALL )  
 J. HALL ) DIRECTORS

The accounting policies and notes on pages 4 and 9 to 17 form part of these financial statements.



S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST DECEMBER, 1984

	<u>1984</u>		<u>1983</u>	
	£	£	£	£
Source/(outflow) of funds				
From operations				
(Loss)/profit on ordinary activities before taxation		(117,155)		57,142
Adjustment for items not involving the movement of funds:				
Amortisation of goodwill	500		-	
Depreciation and amounts written off fixed assets	33,550		22,754	
Equipment grants	-		(1,834)	
Losses/(profits) less losses on sale of fixed assets	<u>490</u>	<u>34,540</u>	<u>(1,630)</u>	<u>19,290</u>
		(82,615)		76,432
From other sources				
Proceeds of disposals of tangible fixed assets		<u>5,496</u>		<u>78,462</u>
		(77,119)		154,894
Application of funds				
Purchase of tangible fixed assets	107,875		245,560	
Purchase of subsidiary (see analysis below)	<u>2</u>	<u>107,877</u>	<u>4</u>	<u>(245,564)</u>
Net outflow of funds		£ <u>(184,996)</u>		£ <u>(90,670)</u>
Increases/(decreases) in working capital				
Stocks		6,403		606,101
Debtors		32,086		150,358
Creditors: amounts falling due within one year		(117,908)		(714,550)
Creditors: amounts falling due after more than one year		<u>6,596</u>		<u>(82,890)</u>
		(72,823)		(40,981)
Net liquid funds				
Cash at bank and in hand	(14,404)		34,208	
Bank overdrafts	<u>(97,769)</u>	<u>(112,173)</u>	<u>(83,897)</u>	<u>(49,689)</u>
Net decrease in working capital		£ <u>(184,996)</u>		£ <u>(90,670)</u>

The above movements in working capital reflect the cash paid for the acquisition of the subsidiary but not the assets acquired.

ANALYSIS OF ACQUISITION OF SUBSIDIARY

Net assets acquired (see note above)		Discharged by	
Debtors	<u>£ 2</u>	Cash paid (see note above)	<u>£ 2</u>

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1984

1. Turnover and loss on ordinary activities before taxation

The turnover and loss before taxation is attributable to one activity, selling and repairing motor vehicles and the sale of petrol.

Profit on ordinary activities is stated after:

	<u>1984</u> £	<u>1983</u> £
Establishment costs	102,511	85,695
Professional charges	3,232	3,578
Auditors remuneration	18,000	15,300
Hire of plant and machinery	5,782	6,206
Depreciation	33,550	22,754
Amortisation of goodwill	<u>500</u>	<u>-</u>

2. Interest payable and similar charges

	<u>1984</u> £	<u>1983</u> £
On bank loans, overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	101,286	59,430
- repayable within 5 years by instalments	<u>2,846</u>	<u>4,774</u>
	104,132	64,204
- repayable wholly or partly in more than 5 years	<u>15,852</u>	<u>15,803</u>
	<u>£ 119,984</u>	<u>£ 80,007</u>

3. Directors and employees

	<u>1984</u> £	<u>1983</u> £
Staff costs during the year:		
Wages and salaries	592,633	388,715
Social security	53,219	45,083
Pension costs	<u>23,539</u>	<u>2,576</u>
	<u>£ 669,391</u>	<u>£ 436,374</u>

The average number of employees of the group during the year was 114 (1983: 93).

Staff costs include remuneration in respect of directors, as follows:

	<u>1984</u>	<u>1983</u>
Management remuneration	<u>£ 74,249</u>	<u>£ 35,160</u>

The emoluments of the directors, excluding pension contributions were £50,710 (1983: £32,584).

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1984

4. Tax on profit on ordinary activities

The taxation (credit)/charge is based on the profit for the year and is made up as follows:

	<u>1984</u> £	<u>1983</u> £
United Kingdom corporation tax @ 30%	-	2,138
Deferred tax	(38,414)	26,324
	(38,414)	28,462
Adjustments in respect of prior period		
Deferred tax (including £5,760 credit due to change in rate of tax)	-	(7,075)
	<u>£(38,414)</u>	<u>£ 21,387</u>

The taxation charge has been reduced by £2,169 (1983: £4,076) in respect of stock relief.

5. Extraordinary item

The extraordinary item in 1984 relates to a provision made in respect of the reserves of a subsidiary company which has ceased to trade since the year end.

6. Profit for the financial year

The company has taken advantage of Section 228(7) of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes £70,332 (1983: profit £36,839) which is dealt with in the financial statements of the parent company.

7. Intangible fixed assets - purchased goodwill

	<u>The Group</u> £	<u>The Company</u> £
Cost	10,000	-
Less: Amount written off in period	<u>500</u>	<u>-</u>
Net book amount at 31st December, 1984	<u>£ 9,500</u>	<u>£ -</u>

S. HALL MOTORS (WARRINGTON) LIMITED  
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER, 1984

8. Tangible fixed assets

<u>The Group</u>	<u>Total</u> <u>£</u>	<u>Land and buildings</u>				<u>Fixtures, fittings, plant and machinery</u> <u>£</u>	<u>Motor vehicles</u> <u>£</u>
		<u>Leasehold improvements</u> <u>£</u>	<u>Short leasehold</u> <u>£</u>	<u>Free- holds</u> <u>£</u>	<u>Long Lease- holds</u> <u>£</u>		
Cost							
At 1.1.1984	605,432	4,066	4,728	159,863	291,459	137,864	7,452
Additions at cost	107,875	53,720	-	-	1,222	46,199	6,734
	713,307	57,786	4,728	159,863	292,681	184,063	14,186
Disposals	8,756	-	-	-	-	4,435	4,321
At 31.12.1984	£ 704,551	57,786	4,728	159,863	292,681	179,628	9,865
Depreciation							
At 1.1.1984	44,653	406	676	4,250	7,931	27,322	4,068
Provided in year	33,550	1,904	225	2,665	4,848	21,516	2,392
	78,203	2,310	901	6,915	12,779	48,838	6,460
Disposals	2,770	-	-	-	-	1,330	1,440
At 31.12.1984	£ 75,433	2,310	901	6,915	12,779	47,508	5,020
Net book amount							
At 31.12.1984	£ 629,118	55,476	3,827	152,948	279,902	132,120	4,845
Net book amount							
At 1.1.1984	£ 560,779	3,660	4,052	155,613	283,528	110,542	3,384

The gross amount of land and buildings on which depreciation is being provided is as follows:

Freehold buildings	-	£159,863
Long leasehold	-	£190,917
Short leasehold	-	£ 4,728

S. HALL MOTORS (WARRINGTON) LIMITED  
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER, 1984

8. Tangible fixed assets (continued)

The Company

	Land and buildings				Fixtures, fittings, plant and machinery	Motor vehicles
	Total	Short leasehold	Freeholds	Long leaseholds		
	£	£	£	£	£	£
Cost						
At 1.1.1984	440,810	4,728	159,863	190,917	77,849	7,453
Additions	33,510	-	-	-	29,198	4,312
	474,320	4,728	159,863	190,917	107,047	11,765
Disposals	8,756	-	-	-	4,435	4,321
At 31.12.1984	£ 465,564	4,728	159,863	190,917	102,612	7,444
Depreciation						
At 1.1.1984	33,072	676	4,250	5,850	18,228	4,068
Provided in year	21,629	225	2,665	3,182	13,771	1,786
	54,701	901	6,915	9,032	31,999	5,854
Disposals	2,770	-	-	-	1,330	1,440
At 31.12.1984	£ 51,931	901	6,915	9,032	30,669	4,414
Net book amount						
At 31.12.1984	£ 413,633	3,827	152,948	181,885	71,943	3,030
Net book amount						
At 1.1.1984	£ 407,738	4,052	155,613	185,067	59,621	3,385

The gross amount of land and buildings on which depreciation is being provided is as follows:

Freehold	-	£ 159,863
Long leasehold	-	£ 190,917
Short leasehold	-	£ 4,728

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1984

9. Fixed asset investments

<u>The Company</u>	<u>Shares in group companies</u> £
Cost	
At 1st January, 1984	
Additions	3,000
Provision against investment in S. Hall Motors (Crewe) Limited	1,000
	(1,000)
At 31st December, 1984	£ <u>3,000</u>

At 31st December, 1984 the group holds more than 10% of the allotted share capital of the following companies.

<u>Subsidiaries:</u>	<u>Country of incorporation</u>	<u>Class of share capital held</u>	<u>Proportion held by holding company</u>	<u>Nature of business</u>
S. Hall Motors (Widnes) Limited	England	Ordinary	100%	Motor trade
S. Hall Motors (Crewe) Limited	England	Ordinary	100%	Motor trade
S. Hall Motors (Chorley) Limited	England	Ordinary	100%	Motor trade
Kerfoot Motors (Sales) Limited	England	Ordinary	100%	Motor trade

Kerfoot Motors (Sales) Limited was acquired on 27th March, 1984.

10. Stocks

	<u>The Group</u>		<u>The Company</u>	
	<u>1984</u> £	<u>1983</u> £	<u>1984</u> £	<u>1983</u> £
Goods for resale	503,582	403,793	94,726	142,499
Stock held on consignment	<u>388,277</u>	<u>481,663</u>	<u>124,992</u>	<u>158,279</u>
	£ <u>891,859</u>	£ <u>885,456</u>	£ <u>219,718</u>	<u>300,778</u>

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1984

11. Debtors - amounts falling due within one year:

	<u>The Group</u>		<u>The Company</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	154,205	199,191	59,355	81,619
Amounts owed by group companies	-	-	283,633	227,216
Taxes	5,176	-	-	-
Other debtors	13,584	13,075	13,075	13,075
Prepayments and accrued income	69,208	37,906	46,556	21,189
Bulk deposit	40,085	-	-	-
	<u>£282,258</u>	<u>£250,172</u>	<u>£402,619</u>	<u>£343,099</u>

12. Creditors - amounts falling due within one year:

	<u>The Group</u>		<u>The Company</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Instalments due on:				
Bank loans	-	4,882	-	-
Bank overdrafts	234,725	136,956	85,254	85,796
Payments received on account	29,620	13,013	-	-
Trade creditors	252,650	290,317	45,487	112,391
Current taxation	2,138	-	-	-
Amounts owed to group companies	-	-	131,376	17,677
Social security and other taxes	88,346	55,948	41,251	24,914
Consignment creditors (secured)	808,277	733,384	420,000	410,000
Other creditors	21,809	13,178	15,717	11,324
Accruals and deferred income	50,882	25,950	39,733	21,657
Directors current account	13,193	10,199	13,193	10,199
	<u>£1,501,640</u>	<u>1,283,827</u>	<u>£792,011</u>	<u>£693,958</u>

The bank overdrafts are secured by a fixed charge over the leasehold land and buildings, a second mortgage over the freehold land of the group and by cross-guarantees given by the group companies.

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1984

13. Creditors - amounts falling due after more than one year:

	<u>The Group</u>		<u>The Company</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loan (secured)	74,039	75,000	-	-
Mortgages	100,700	106,698	100,700	106,698
Hire purchase creditors	27,416	24,096	20,457	15,994
Other creditors - loans	<u>3,295</u>	<u>6,252</u>	<u>2,909</u>	<u>5,648</u>
	<u>£205,450</u>	<u>£212,046</u>	<u>£124,066</u>	<u>£128,340</u>

The bank loan was refinanced on 16th April, 1984 by alternative long term borrowings.

The mortgages which are not wholly repayable in less than five years, are repayable by December, 1993 by monthly instalments. Interest is charged at approximately 2% above the average clearing banks' base rates.

The mortgages are secured on the freehold premises.

14. Provisions for liabilities and charges

<u>The Group</u>	<u>Total</u>	<u>Taxation payable</u>	<u>Deferred taxation (Note 15)</u>	<u>Equipment grant</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st January, 1984	68,375	2,138	64,774	1,463
Transferred to creditors	(2,138)	(2,138)	-	-
Utilised during the year	<u>(38,414)</u>	<u>-</u>	<u>(38,414)</u>	<u>-</u>
At 31st December, 1984	<u>£ 27,823</u>	<u>£ -</u>	<u>£ 26,360</u>	<u>£ 1,463</u>
<u>The Company</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st January, 1984	56,612	-	55,149	1,463
Utilised during the year	<u>(39,114)</u>	<u>-</u>	<u>(39,114)</u>	<u>-</u>
At 31st December, 1984	<u>£ 17,498</u>	<u>£ -</u>	<u>£ 16,035</u>	<u>£ 1,463</u>



S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1984

15. Deferred taxation

Deferred taxation provided in the financial statements being the total potential liability is set out below.

The Group

	<u>Amount provided</u>	
	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	77,755	72,735
<u>Less</u> Trading losses	<u>(51,395)</u>	<u>(7,961)</u>
	<u>£ 26,360</u>	<u>£ 64,774</u>

The Company

	<u>Amount provided</u>	
	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	53,501	55,395
<u>Less</u> Trading losses	<u>(37,466)</u>	<u>(246)</u>
	<u>£ 16,035</u>	<u>£ 55,149</u>

The group has unrelieved tax losses not adjusted through the deferred taxation provision of £ 47,325 (1983 £48,286) which are available to set against future trading profits.

16. Called up share capital

	<u>1984</u>	<u>1983</u>
Authorised		
100,000 ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
Allotted, called up and fully paid		
19,480 ordinary shares of £1 each	<u>£ 19,480</u>	<u>£ 19,480</u>

S. HALL MOTORS (WARRINGTON) LIMITED

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1984

17. Reserves

	<u>Profit and loss account</u>	
	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>
At 31st December, 1983	147,723	156,796
Loss sustained in year	<u>(98,557)</u>	<u>(70,332)</u>
At 31st December, 1984	<u>£ 49,166</u>	<u>£ 86,464</u>

18. Capital commitments

Neither the group nor the company had any capital commitments at 31st December, 1984 or 31st December, 1983.

19. Contingent liabilities

- (a) There is an unlimited guarantee given in respect of all group borrowings to the company's bankers.
- (b) An estimated amount of approximately £20,000 in respect of losses subsequent to the year-end arising from the disposal of assets of a subsidiary company has not been provided in these financial statements.