

1319586

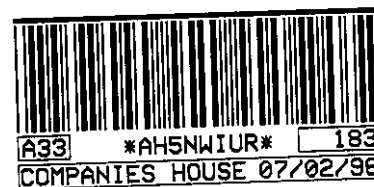
Registrar  
of  
Companies

D. G. SWAIN LTD.

T/A SWAINS FAMILY CAR CENTRE

ACCOUNTS - YEAR ENDED

31ST JULY 1995



D. G. SWAIN LTD.

T/A SWAINS FAMILY CAR CENTRE

INDEX TO THE ACCOUNTS FOR THE YEAR ENDED  
31ST JULY 1995

- 1(a) and 1(b). Directors' Report.
- 2. Auditor's Report.
- 3. Profit and Loss Account.
- 4. Balance Sheet.
- 5. - 9. Notes to the Accounts.

REGISTERED OFFICE:

POCOMBE BRIDGE GARAGE  
EXETER.

COMPANY NUMBER: 1319586

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 1995

The Directors present their Report and the Financial Statements for the year ended 31st July 1995.

1. 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 the 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 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 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.

2. Results and Dividends

The Accounts for the year ended 31st July 1995 disclosing a Net Loss of £32,559 are attached and it is proposed that this be carried to reserves leaving a surplus of £7,028.

The Directors do not recommend the payment of any dividend.

3. Review of Business

The Directors consider the results for the year to be disappointing but expected given the poor trading conditions during the year.

The trading results have been compounded by the inclusion of the extraordinary item detailed in note 12.

4. Principal Activity

The Company's principal activity continues to be the sale of motor vehicles.

5. Fixed Assets

Movements in Fixed Assets are as shown on the Accounts and the Notes attached thereto.

REGISTERED OFFICE:

POCOMBE BRIDGE GARAGE  
EXETER.

COMPANY NUMBER: 1319586

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 1995 (CONTINUED)

6. Directors

The Directors had the following interest in the Share Capital of the Company:

	<u>1995</u>	<u>1994</u>
Mrs. E. E. Swain (Company Secretary)	500	500
D. G. Swain, Esq. (Chairman)	9,501	9,501
R. S. Thomson, Esq.	9,999	9,999

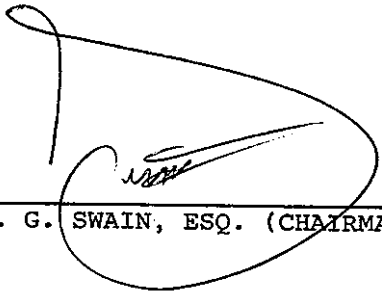
No Contract or Arrangement has subsisted during the year in which any Director is interested.

7. Auditor

The Company's Auditor, John Redwood of Lower Hawkerland, Aylesbeare, Exeter has indicated his willingness to continue in office as Auditor and a Resolution proposing his reappointment will be submitted to the Annual General Meeting.

15/12/95

(date)

  
D. G. SWAIN, ESQ. (CHAIRMAN)

AUDITOR'S REPORT TO THE MEMBERS OF D. G. SWAIN LTD.  
T/A SWAINS FAMILY CAR CENTRE  
ON THE ACCOUNTS FOR THE YEAR ENDED  
31ST JULY 1995

I have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1a and 1b the Company's Directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

BASIS OF OPINION

I conducted my 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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st July, 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
J. C. REDWOOD FCCA

CERTIFIED ACCOUNTANT

REGISTERED AUDITOR

15/12/95

(date)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31ST JULY 1995

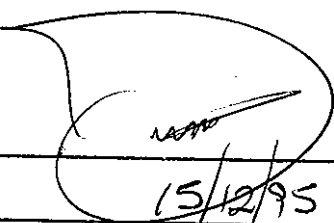
	NOTE	1995	1994
TURNOVER	(1)	762,559	780,753
LESS COST OF SALES		592,654	586,555
GROSS PROFIT		169,905	194,198
DISTRIBUTION COSTS	113,902		112,772
ADMINISTRATION COSTS	67,094		55,797
		180,996	168,569
OPERATING (LOSS)/PROFIT		(11,091)	25,629
ADD OTHER OPERATING INCOME			
Commission Received	2,775		1,882
VAT Refund on Licences	-		8,885
		2,775	10,767
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(8,316)	36,396
INTEREST PAYABLE	(14)	9,317	8,227
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(17,633)	28,169
EXTRAORDINARY ITEM	(12)	19,206	-
		(36,839)	28,169
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	(3)	4,280	(6,201)
NET (LOSS)/PROFIT FOR THE YEAR	(8)	(£32,559)	£21,968

NOTE 1

The following charges have been accounted for in these figures:

Directors' Emoluments	£37,984	£30,284
Depreciation - Tangible Fixed Assets		
including Loss on Sale	1,379	1,257
Hire of Equipment	-	15
Auditor's Remuneration	2,475	2,495

## BALANCE SHEET AS AT 31ST JULY 1995

	NOTE	1995	1994
<u>FIXED ASSETS</u>			
<u>TANGIBLE ASSETS</u> (2)			
LAND AND BUILDINGS		123,190	124,460
PLANT AND EQUIPMENT		5,499	4,814
		<u>128,689</u>	<u>129,274</u>
<u>CURRENT ASSETS</u>			
Stock on Hand	88,137	85,362	
Trade Debtors	5,979	15,137	
Other Debtors	1,242	9,724	
Prepayments	459	293	
Corporation Tax (3b)	4,266	-	
A. Leach Loan less Provision	-	19,206	
Cash and Bank Balances	400	400	
	<u>100,483</u>	<u>130,122</u>	
<u>LESS CREDITORS FALLING DUE</u>			
<u>WITHIN ONE YEAR</u>			
Trade Creditors	5,514	6,301	
Other Creditors	931	1,944	
Taxation and Social Security	6,630	10,008	
Accrued Expenses	4,802	3,715	
Corporation Tax (3b)	-	4,616	
Directors Loan Accounts (4)	200	200	
Loan Accounts (10)	16,631	19,600	
Bank Overdrafts (7)	34,200	18,593	
Bank Loan (7)	3,000	3,000	
	<u>71,908</u>	<u>67,977</u>	
<u>NET CURRENT ASSETS</u>		28,575	62,145
<u>TOTAL ASSETS LESS CURRENT</u>			
<u>LIABILITIES</u>		157,264	191,419
<u>LESS CREDITORS FALLING DUE AFTER</u>			
<u>ONE YEAR</u>			
Loans (7)		42,937	43,657
		<u>114,327</u>	<u>147,762</u>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
Deferred Taxation Account (3c)		691	705
		<u>113,636</u>	<u>147,057</u>
<u>DEFERRED ASSETS</u>			
Unrelieved ACT		-	-
		<u>£113,636</u>	<u>£147,057</u>
Represented by:			
<u>SHARE CAPITAL</u> (5)		20,000	20,000
<u>RESERVES</u>			
REVALUATION RESERVE (13)	86,608	87,470	
PROFIT AND LOSS ACCOUNT (8)	7,028	39,587	
		<u>93,636</u>	<u>127,057</u>
		<u>£113,636</u>	<u>£147,057</u>
 (DIRECTOR) (D.G. SWAIN ESQ.)			
15/12/95 (DATE)			

# 1. ACCOUNTING POLICIES

## (a) DEPRECIATION OF FIXED ASSETS

### (i) Freehold Buildings.

The freehold site was revalued on 6th May, 1992.

The revalued figure has been depreciated at 2% on the straight line method of depreciation. The portion of depreciation relating to original cost has been charged to the Profit and Loss Account whilst the portion relating to the revaluation surplus has been debited to the revaluation reserve. The Directors are aware that the accounting treatment of depreciation in respect of the revalued element is not in accordance with SSAP 12. However, they are of the opinion that the application of the above accounting policy more accurately complies with the requirement to show a true and fair view of the Company's results and Balance Sheets.

### (ii) Plant and Equipment.

Plant and Equipment has been depreciated at the rate of 15% on the reducing instalment method in order to write off the cost of these assets over their effective useful lives.

## (b) TURNOVER

The turnover of the Company represents the value of sales excluding Value Added Tax. There were no exports.

## (c) ACCOUNTING CONVENTION

The Accounts have been prepared under the 'historical cost convention', with the exception of the freehold premises at Pocombe Bridge which have been revalued at 6th May, 1992. The Accounts include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

## (d) STOCK IN HAND

This has been valued at the lower of cost and net realizable value as valued by the Directors after making due allowance for any obsolete or slow moving items. Cost comprises FIFO invoiced cost in respect of goods for direct resale, and invoiced cost plus a proportion of direct expenses in respect of vehicles.

(e) The Company has taken advantage of the exemption available from producing a Cash Flow Statement under Financial Reporting Standards 1.

## (f) DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

## (g) PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED  
31ST JULY 1995

2. FIXED ASSETS

(a) LAND AND BUILDINGS	<u>FREEHOLD</u>	<u>FREEHOLD</u>	<u>TOTAL</u>
	<u>LAND</u>	<u>BUILDINGS</u> <u>AND</u> <u>IMPROVEMENTS</u>	
REVALUATION/COST			
Brought forward	£63,500	63,500	127,000
DEPRECIATION			
Brought forward	-	2,540	2,540
Provided during year	-	1,270	1,270
	-	3,810	3,810
NET BOOK VALUE 31.7.1995	£63,500	59,690	123,190
NET BOOK VALUE 31.7.1994	£63,500	60,960	124,460

(b) PLANT AND EQUIPMENT

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
AT COST		
Brought forward	19,850	19,411
Additions during year	1,656	439
	21,506	19,850
PROVISION FOR DEPRECIATION		
Brought forward	15,036	14,187
Provided during year	971	849
	16,007	15,036
NET BOOK VALUE	£5,499	£4,814

3. TAXATION

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
(a) UK CURRENT YEAR TAXATION		
UK Corporation Tax at 25%	-	6,247
Transfer to Deferred Tax Account	(14)	(46)
	(14)	6,201
PRIOR YEARS		
UK Corporation Tax at 25%	(4,266)	-
Corporation Tax Charge for Year	(£4,280)	£6,201

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31ST JULY 1995

## 3. TAXATION (Continued)

## (b) CORPORATION TAX PROVISION

The provision for taxation on the current year's profits at 25% arises as follows:

	THIS YEAR	LAST YEAR
Corporation Tax	(4,266)	6,247
Less ACT Relievable	-	1,631
Balance (Repayable)/Payable	(£4,266)	£4,616

## (c) DEFERRED TAXATION

The Directors have made a provision on the timing differences between the treatment of Fixed Assets for Accounts and Taxation purposes assuming a Corporation Tax rate of 25%.

No provision has been made in respect of any potential Tax liability on the revaluation of Freehold Premises as the Directors do not anticipate a sale in the foreseeable future.

## 4. DIRECTORS' LOAN ACCOUNTS

	THIS YEAR	LAST YEAR
Balance brought forward	200	7,200
Less Personal Drawings	-	7,000
Balance carried forward	£200	£200

## 5. SHARE CAPITAL

The Authorised Issued and Fully Paid Up Share Capital of the Company is 20,000 Shares of £1 each.

## 6. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS

The following emoluments represent salaries paid for service as Directors of the Company.

	THIS YEAR	LAST YEAR
Directors' Remuneration	37,984	30,284
Benefits in Kind	3,641	4,990
	£41,625	£35,274

## 7. BANK LOANS AND OVERDRAFT AND OTHER LOANS

The Bank loans and overdraft are secured by a fixed charge over the debts of the Company, and a floating charge over the Company's property both future and present. A legal Mortgage is also held over freehold premises at Pocombe Bridge Garage, Exeter.

The Bank loan balance outstanding at 31st July, 1995 has been apportioned as follows:

	THIS YEAR	LAST YEAR
BANK LOAN		
Repayable within one year	£3,000	£3,000
Repayable one to five years	12,000	12,000
Repayable over five years	28,437	31,657
	43,437	46,657
OTHER LOANS (See Note 10)		
Repayable one to five years	2,500	-
TOTAL LOANS REPAYABLE after more than one year	£42,937	£46,657

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED  
31ST JULY, 1995

8. STATEMENT OF RETAINED PROFITS

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Balance brought forward	39,587	17,619
(Loss)/Profit for the year	(32,559)	21,968
	<hr/>	<hr/>
Balance carried forward	£7,028	£39,587

9. EMPLOYEES

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
The average number of employees during the year excluding the Directors was	THREE	THREE
The total wages payable in respect of those employees was	29,356	29,103
The Social Security cost in respect of those employees and also the Directors was	5,904	5,125
	<hr/>	<hr/>
	£35,260	£34,228

10. SHORT TERM LOANS

These are repayable in June, 1996 with interest chargeable at commercial interest rates. The lender has reclassified part of the existing borrowing to be repaid over 4 years and accordingly part of the loan has been allocated to creditors due after more than one year. (See note 7).

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Total borrowing	19,131	19,600
Repayable after more than 12 months	2,500	-
	<hr/>	<hr/>
Repayable within 12 months	£16,631	£19,600

11. PENSION SCHEME

The Company operates a pension scheme in respect of its directors this being a defined contributions scheme.

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Contributions paid	£5,813	£2,298

12. EXTRAORDINARY ITEM

The Investment Property at 3, Chantry Meadow was jointly owned by the Company and an ex-employee. The premises were sold and the Company has been liable for the employees outstanding mortgage commitment. The Company remains hopeful that this liability will be met by the individual but this is by no means certain. The total amount outstanding is £19,206 and since the recovery of this debt is doubtful a provision for the full amount has been made. The "one off" occurrence of this item and its unusual nature, in the opinion of the directors, warrants its treatment as an extraordinary item.

13. REVALUATION RESERVE

The Premises at Pocombe Bridge were revalued at 6th May, 1992 by Mr. R. A. Harris ARICS of Husseys at freehold open market valuation.

The revaluation reserve has been calculated as shown below. The portion of building depreciation relating to the revaluation has been deducted from this reserve.

	<u>REVALUATION</u>	<u>ORIGINAL</u> <u>COST</u>	<u>REVALUATION</u> <u>RESERVE</u>
Freehold Land	63,500	17,428	46,072
Freehold Buildings	63,500	24,911	38,589
	127,000	42,339	84,661
Provision for Depreciation Pre-Revaluation	-	(4,533)	4,533
	£127,000	37,806	89,194
Provision for Depreciation			
Brought forward	2,540	816	1,724
Current Year	1,270	408	862
	£3,810	1,224	2,586
Carried forward	£123,190	36,582	86,608

14. INTEREST PAYABLE

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Bank Loan Interest	4,502	4,721
Loan Interest	2,632	1,682
Bank Overdraft	2,183	1,824
	£9,317	£8,227

15. RECOGNISED GAINS AND LOSSES

There have been no other recognised gains and losses other than those disclosed in Note (1a) and the Profit and Loss Account.

16. MOVEMENT ON SHAREHOLDERS FUNDS

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
(Loss)/Profit for the Year	(32,559)	21,968
Depreciation relating to revalued amount on freehold (Note 13)	862	862
	(33,421)	21,106
Opening Shareholders Funds	147,057	125,951
Closing Shareholders Funds	£113,636	£147,057