

1967507

WIGGINS WINCHESTER LIMITED

FINANCIAL STATEMENTS

31st December 1996



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COMPANIES HOUSE 15/04/97

REPORT OF THE DIRECTORS

PRESENT DIRECTORS

J M Ritchie
J R Witt

The directors present their report and the audited financial statements for the year to 31st December 1996.

PRINCIPAL ACTIVITIES

The company was formerly engaged in the retail distribution of motor vehicles and allied activities in the motor trade.

REVIEW OF THE BUSINESS

The company performed satisfactorily during the year.

As at the close of business on 31st December 1996 the company's trade, assets and liabilities were acquired, at book value, by Scotthall Limited, a fellow subsidiary, and the company ceased to trade.

RESULTS AND DIVIDENDS

Details of the results for the period are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend (1995 - £nil).

DIRECTORS

Mr J M Ritchie and Mr D Potts served throughout the year under review.

Mr D Potts resigned as a director on 31st January 1997 and Mr J R Witt was appointed a director on 1st February 1997.

DIRECTORS' INTERESTS

None of the directors had any interests in the shares of the company, or of the company's fellow subsidiaries, or holding company, which require notification to the company in accordance with the provisions of Section 324 of the Companies Act 1985.

REPORT OF THE DIRECTORS - CONTINUED

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 as at the end of the period under review 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 and then apply them consistently.
- * make judgments and estimates that are reasonable and prudent.
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- * 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 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.

REGISTERED NUMBER

1967507

AUDITORS

Pursuant to the elective resolution passed on 29th March 1995, Price Waterhouse, the present auditors, will continue in office.

3 Lombard Street
London, EC3V 9AQ

By order of the Board
Matheson & Co., Limited
Secretaries



J L Rutherford
Assistant Secretary

9th April 1997

AUDITORS' REPORT TO THE MEMBERS OF WIGGINS WINCHESTER LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of 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 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.

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 the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse,
Southwark Towers,
32 London Bridge Street,
London SE1 9SY

Chartered Accountants
and Registered Auditors

9th April 1997

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 1996

	Note	£	1996 £	£	1995 £
TURNOVER			15,786,387		13,892,882
Cost of sales			(13,681,772)		(12,129,880)
			-----		-----
GROSS PROFIT			2,104,615		1,763,002
Distribution costs		403,234		347,391	
Administrative expenses		1,167,871		1,021,657	
			-----	-----	
			(1,571,105)		(1,369,048)
			-----		-----
OPERATING PROFIT	3		533,510		393,954
Interest payable	6		(72,279)		(95,010)
			-----		-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			461,231		298,944
Tax on profit on ordinary activities	7		(140,437)		(119,356)
			-----		-----
RETAINED PROFIT FOR THE FINANCIAL YEAR	14		320,794		179,588
			=====		=====

All amounts relate to discontinued operations.

The retained profit for the year is equal to the total recognised profit for the year.


The notes on pages 6 to 11 form an integral part of these financial statements.

BALANCE SHEET

31st December 1996

	Note	£	1996 £	1995 £
FIXED ASSETS				
Tangible assets	8		-	470,070
CURRENT ASSETS				
Stock	9	-	1,681,409	
Repurchase commitments	10	-	141,750	
Debtors	11	1,044,806	371,408	
Cash at bank and in hand		-	595	
		-----	-----	
		1,044,806	2,195,162	
CREDITORS - amounts falling due within one year				
	12	501,783	2,422,654	
		-----	-----	
NET CURRENT ASSETS/(LIABILITIES)			543,023	(227,492)
			-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			543,023	242,578
PROVISION FOR LIABILITIES AND CHARGES				
Deferred taxation	13		-	(20,349)
			-----	-----
			543,023	222,229
			=====	=====
CAPITAL AND RESERVES				
Called up share capital	14		2	2
Profit and loss account	14		543,021	222,227
			-----	-----
SHAREHOLDERS' FUNDS (Equity interests)			543,023	222,229
			=====	=====

APPROVED BY THE BOARD OF DIRECTORS


J R Witt
9th April 1997

The notes on pages 6 to 11 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31st December 1996**1. ACCOUNTING POLICIES****a) BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the historical cost convention, using applicable accounting standards. The principal accounting policies which the directors have adopted within that convention are set out below.

b) TURNOVER

Turnover comprises sales of motor vehicles, spare parts and servicing and repairing income. Value added tax and car tax are excluded.

c) DEFERRED TAXATION

Deferred tax is accounted for under the liability method in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements, only to the extent that a liability or asset is expected to be payable or receivable in the foreseeable future.

d) DEPRECIATION

Depreciation is calculated to write off the cost of each category of fixed assets, using the straight line method, during its expected useful life. The lives used are as follows:

Short leasehold property	25 years;
Plant and equipment	5-10 years;
Motor vehicles	3-5 years.

e) REPURCHASE COMMITMENTS

Repurchase commitments relate to undertakings to repurchase, at predetermined dates in the future, vehicles sold by the company. These repurchase commitments are included as an asset in the balance sheet at repurchase value with a corresponding liability within creditors.

f) STOCK

Stock is valued at the lower of cost and net realisable value. Cost is actual purchase price.

g) PENSIONS

Lancaster plc has appointed Trustees to administer a contributory pension scheme, based on the cost of providing pensions across all participating Lancaster group companies, whose costs are not individually determined. As a result, contributions allocated to the company are charged against profits for the year in which they become payable. Full details are given in the accounts of the parent company, Lancaster plc.

(h) LEASED ASSETS

Operating lease rentals are charged to the profit and loss account when incurred.

NOTES TO THE FINANCIAL STATEMENTS
31st December 1996

2. STATUS OF THE COMPANY

As of the close of business on 31st December 1996 the company transferred its trade, assets and liabilities to Scotthall Limited, at book value, and from that time the company ceased to trade.

3. OPERATING PROFIT	1996 £	1995 £
Operating profit is arrived at after charging:		
Auditors' remuneration - audit services	5,200	9,950
Depreciation of owned assets	59,207	57,264
Operating lease rentals-land & buildings	156,619	158,287
	=====	=====

4. EMPLOYEES

The average number employed by the company within each category of persons was:

	No.	No.
Sales staff	9	8
After-sales staff	33	31
Administration staff	4	4
	--	--
	46	43
	==	==

The costs incurred in respect of these employees were:

	£	£
Wages and salaries	861,903	768,664
Social security costs	70,994	67,009
Other pension costs	33,913	27,517
	-----	-----
	966,810	863,190
	=====	=====

5. DIRECTORS

No emoluments or fees were paid to the directors during the year (1995 - fnil).

NOTES TO THE FINANCIAL STATEMENTS
31st December 1996

6.	INTEREST PAYABLE	1996	1995		
		£	£		
	Bank loans and overdrafts	56,068	80,168		
	Other loans	16,211	14,842		
		-----	-----		
		72,279	95,010		
		=====	=====		
7.	TAX ON PROFIT ON ORDINARY ACTIVITIES				
		£	£		
	Taxation is based on profits for the year and comprises:				
	Group relief/corporation tax	160,706	107,483		
	Corporation tax movements relating to prior periods	80	(1,276)		
	Deferred tax (see note 13)	(20,349)	13,149		
		-----	-----		
		140,437	119,356		
		=====	=====		
8.	FIXED ASSETS				
		Short Leasehold Property	Plant and Motor Vehicles	Total	
		£	£	£	£
	COST				
	At 1st January 1996	451,138	253,365	14,601	719,104
	Additions	-	23,314	9,875	33,189
	Transfers to group undertakings	(451,138)	(270,479)	(14,876)	(736,493)
	Disposals	-	(6,200)	(9,600)	(15,800)
		-----	-----	-----	-----
	At 31st December 1996	-	-	-	-
		-----	-----	-----	-----
	DEPRECIATION				
	At 1st January 1996	90,119	153,623	5,292	249,034
	Provided for the year	20,254	33,994	4,959	59,207
	Transfers to group undertakings	(110,373)	(184,367)	(7,321)	(302,061)
	Disposals	-	(3,250)	(2,930)	(6,180)
		-----	-----	-----	-----
	At 31st December 1996	-	-	-	-
		-----	-----	-----	-----
	NET BOOK AMOUNT				
	At 31st December 1996	£ -	£ -	£ -	£ -
		=====	=====	=====	=====
	At 31st December 1995	£361,019	£99,742	£9,309	£470,070
		=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
31st December 1996

9. STOCK	1996 £	1995 £
Vehicles		
- held on consignment	-	666,468
- other	-	872,774
Parts	-	134,886
Oil and sundries	-	7,281
	-----	-----
	-	1,681,409
	=====	=====

The stock held on consignment shown in the balance sheet was interest bearing and had a corresponding liability which was included within trade creditors.

10. REPURCHASE COMMITMENTS	£	£
Within one year	-	141,750
	=====	=====

11. DEBTORS	£	£
Trade debtors	-	297,697
Amounts owed by group undertakings	1,044,806	-
Other debtors	-	6,578
Prepayments and accrued income	-	67,133
	-----	-----
	1,044,806	371,408
	=====	=====

12. CREDITORS : Amounts falling due within one year

	£	£
Bank overdraft	241,034	73,201
Trade creditors	-	963,306
Repurchase commitments (see note 10)	-	141,750
Amounts owed to group undertakings	-	1,010,494
Other creditors	-	65,026
Corporation tax	160,706	107,483
Other taxation and social security	100,043	61,394
	-----	-----
	501,783	2,422,654
	=====	=====

Trade creditors includes amounts due arising from the purchase of stocks from suppliers who claim that, under the terms of trade, ownership thereof does not pass to the company until sums due to these suppliers are settled.

NOTES TO THE FINANCIAL STATEMENTS
31st December 1996

13. DEFERRED TAXATION

a) Provisions at year end

	1996		1995	
	Provided	Not provided	Provided	Not provided
	-----	-----	-----	-----
	£	£	£	£
Capital allowances in excess of depreciation	-	-	20,349	-
	=====	=====	=====	=====

b) Movement in the year

	£
At 1st January 1996	20,349
Credit for the year	(20,349)

At 31st December 1996	-
	=====

14. SHAREHOLDERS' FUNDS

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital	Revenue Reserves	Total
	-----	-----	-----
	£	£	£
Balance at 1st January 1996	2	222,227	222,229
Profit for the year	-	320,794	320,794
	-----	-----	-----
Balance at 31st December 1996	2	543,021	543,023
	=====	=====	=====

The company has 100 authorised ordinary shares of £1 each and has 2 allotted, issued and fully paid ordinary shares of £1 each.

15. CONTINGENT LIABILITIES

There were contingent liabilities at 31st December 1996 in respect of cross guarantees covering bank loans and overdrafts in the holding company and fellow subsidiaries. These loans and overdrafts amounted to £17,142,203 at 31st December 1996 (1995 - £14,340,520).

NOTES TO THE FINANCIAL STATEMENTS
31st December 1996

16. FINANCIAL COMMITMENTS

OPERATING LEASES

At 31st December 1996 the company had annual commitments under non-cancellable operating leases which expire as follows:

	<u>1996</u>		<u>1995</u>	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within one year	-	-	-	1,104
In the second to fifth years	-	-	16,000	5,795
After five years	-	-	145,000	-
	-----	-----	-----	-----
	-	-	161,000	6,899
	=====	=====	=====	=====

17. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Lancaster plc, which prepares a consolidated Cash Flow Statement. The company has therefore elected to make use of the exemption provided in Financial Reporting Standard No. 1 ("Cash Flow Statements") not to produce a Cash Flow Statement.

18. RELATED PARTY TRANSACTIONS

No disclosure has been made of transactions with other group companies in accordance with Paragraph 3(c) of FRS 8 "Related Party Disclosures" as the company is a wholly owned subsidiary of Lancaster plc.

19. ULTIMATE PARENT COMPANY

The parent undertaking is Lancaster Winchester Limited, which is wholly owned by Lancaster plc.

The ultimate parent company, which is also the ultimate controlling interest, is Jardine Matheson Holdings Limited, a company incorporated in Bermuda.

Consolidated accounts for both Lancaster plc and Jardine Matheson Holdings Limited can be obtained from:-

Matheson & Co., Limited
 Jardine House
 6 Crutched Friars
 London EC3N 2HT

THE PAGES WHICH FOLLOW DO NOT FORM PART
OF THE STATUTORY ACCOUNTS.

THEY SHOULD BE DETACHED IF THE PRECEDING
PAGES ARE TO BE FILED WITH THE REGISTRAR
OF COMPANIES.

TRADING ACCOUNT

For the year ended 31st December 1996

	1996		1995	
	£	£	£	£
TURNOVER		15,786,387		13,892,882
Cost of sales		(13,681,772)		(12,129,880)
		-----		-----
GROSS PROFIT		2,104,615		1,763,002
FIXED EXPENSES				
Salaries	143,903		123,076	
Advertising	110,593		73,431	
Demonstration/vehicle expenses	71,253		68,506	
Training	2,782		2,714	
Car buying	18,074		12,886	
Miscellaneous	55,889		65,994	
Depreciation	740		784	
	-----	(403,234)	-----	(347,391)
OTHER FIXED EXPENSES				
Salaries	335,385		266,259	
Advertising	16,578		13,968	
Vehicle expenses	50,184		60,365	
Training	17,364		14,605	
Tools and consumables	16,780		-	
Stock adjustments	1,072		5,297	
Equipment maintenance	15,718		11,843	
Equipment depreciation	33,737		31,683	
Miscellaneous	39,088		58,253	
Doubtful debts	8,958		-	
	-----	(534,864)	-----	(462,273)
		-----		-----
DIRECT PROFIT		1,166,517		953,338
OVERHEADS				
Management charge	128,381		80,000	
Rent and rates	211,533		201,961	
Heat and light	24,350		20,916	
Building maintenance	16,501		-	
Salaries and benefits	66,659		55,563	
Pension fund	33,913		27,517	
Training	207		1,471	
Travel and subsistence	507		460	
Entertainment	-		393	
Vehicle expense	9,773		11,641	
Printing and stationery	9,171		10,603	
Postage and telephone	23,517		23,767	
Professional fees	1,270		8,870	
Bank charges	14,113		13,664	
Equipment rental/maintenance	14,044		16,695	
Insurance	15,708		19,029	
Laundry and cleaning	8,617		5,221	
Auditors' remuneration	5,200		9,950	
Miscellaneous	13,770		23,845	
Computer costs	4,828		3,494	
Sale of fixed assets	6,215		(473)	
Depreciation	24,730		24,797	
	-----	(633,007)	-----	(559,384)
Interest payable		(72,279)		(95,010)
		-----		-----
NET PROFIT BEFORE TAXATION		461,231		298,944
		=====		=====