

Register

EASTERN GARAGE (ESSEX) LIMITED

FINANCIAL STATEMENTS

31ST MAY 1994

REAY AND KING

Chartered Accountants

London

Company number : 02348158



EASTERN GARAGE (ESSEX) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MAY 1994

The directors present their report and financial statements for the year ended 31st May 1994.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £3,694 (1993:loss £2,495). The directors do not recommend payment of a dividend.

PRINCIPAL ACTIVITY

The principal activity of the company is the retail and servicing of motor vehicles.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company expects to maintain its present level of activity.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the ordinary shares of £1 each were :

| | <u>Number of shares</u> | |
|------------|-------------------------|----------------------|
| | <u>31st May 1994</u> | <u>31st May 1993</u> |
| M.H.Sheath | 10,000 | 10,000 |
| K.Sheath | 10,000 | 10,000 |
| D.H.Sheath | - | - |

FIXED ASSETS

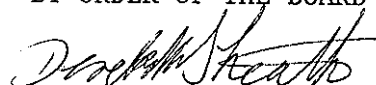
The movements in fixed assets during the year are set out in note 7 to the accounts.

AUDITORS

Messrs Reay and King have expressed their willingness to continue in office as auditors, and in accordance with Section 385 of the Companies Act 1985 a resolution proposing their reappointment will be put to the Annual General Meeting.

Admel House
24 High Street
London
SW19 5DX

BY ORDER OF THE BOARD



DIRECTOR

EASTERN GARAGE (ESSEX) LIMITED

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 at the end of the year and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them on a consistent basis making judgements and estimates that are reasonable and prudent and to prepare the financial statements on a 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF
EASTERN GARAGE (ESSEX) LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1994

We have audited the financial statements on pages 4 to 10 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 financial 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 an 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 judgements 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.

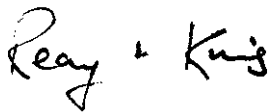
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 May 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

29th March 1995

London


Reay & King
Chartered Accountants
Registered Auditor

EASTERN GARAGE (ESSEX) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1994

| | <u>Notes</u> | <u>1994</u> | <u>1993</u> |
|--|--------------|-------------------|-------------------|
| | | £ | £ |
| Turnover | 1 | 412,202 | 423,382 |
| Cost of sales | | 334,870 | 337,083 |
| GROSS PROFIT | | <u>77,332</u> | <u>86,299</u> |
| ADMINISTRATIVE COSTS | | 78,324 | 84,821 |
| OPERATING (LOSS)/PROFIT | 2 | <u>(992)</u> | <u>1,478</u> |
| Interest payable | 4 | (2,702) | (3,973) |
| (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(3,694)</u> | <u>(2,495)</u> |
| Tax on ordinary activities | 5 | - | - |
| RETAINED (LOSS) FOR THE YEAR | | <u>(3,694)</u> | <u>(2,495)</u> |
| Retained (deficit) brought forward: | | (244,368) | (126,373) |
| Prior year adjustment | 6 | - | (115,500) |
| RETAINED DEFICIT BROUGHT FORWARD AS RESTATED | | <u>(244,368)</u> | <u>(241,873)</u> |
| RETAINED (DEFICIT) CARRIED FORWARD | | <u>£(248,062)</u> | <u>£(244,368)</u> |

All recognised gains and losses are included in the profit and loss account.

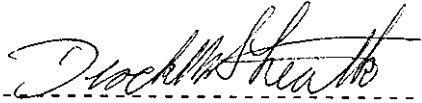
EASTERN GARAGE (ESSEX) LIMITED

BALANCE SHEET

AS AT 31ST MAY 1994

| | <u>Notes</u> | <u>1994</u> | <u>1993</u> |
|---|--------------|-----------------|-----------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 7 | 24,364 | 32,591 |
| CURRENT ASSETS | | | |
| Stocks | 8 | 14,437 | 7,731 |
| Debtors | 9 | 27,853 | 27,959 |
| Cash in hand | | 57 | 198 |
| | | <u>42,347</u> | <u>35,888</u> |
| CREDITORS - amounts falling due within one year | 10 | <u>(62,346)</u> | <u>(60,420)</u> |
| NET CURRENT (LIABILITIES) | | (19,999) | (24,532) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,365</u> | <u>8,059</u> |
| CREDITORS - amounts falling due after more than one year | 11 | 232,427 | 232,427 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 20,000 | 20,000 |
| Profit and loss account | | (248,062) | (244,368) |
| | | <u>£ 4,365</u> | <u>£ 8,059</u> |

Approved by the Board : 29.3.1995



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) Directors
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EASTERN GARAGE (ESSEX) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1994

1. ACCOUNTING POLICIES

- (a) Accounting convention
 These financial statements have been prepared under the historical cost convention. There were no discontinued or newly acquired activities during the year.
- (b) Turnover
 Turnover represents the amounts receivable, excluding VAT, for goods and services invoiced during the year.
- (c) Depreciation
 Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives at the following rates:
- Leasehold building : over the remaining term of the lease.
 Fixtures and fittings:- 10.00 % per annum on reducing balance
 Plant and machinery :- 15.00 % per annum on reducing balance
 Motor vehicles :- 25.00 % per annum
 Goodwill :- Written off immediately on acquisition
- (d) Stocks
 Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.
- (e) Deferred taxation
 Deferred taxation is provided for by the liability method on all timing differences which are expected to reverse in the foreseeable future.
- (f) Finance leases
 Assets used by the Company which have been funded through finance leases are capitalised and the resulting lease obligations are included in creditors. Operating lease charges are written off as they are incurred.
- (g) Foreign currency transactions
 Transactions in foreign currencies are recorded at the rates ruling at the date of the transaction, and exchange fluctuations are written off at the time of payment. Assets and liabilities at the balance sheet date have been converted at the rate ruling at that date.

2. OPERATING (LOSS)/PROFIT

This is stated after charging:

| | <u>1994</u> £ | <u>1993</u> £ |
|------------------------------------|-------------------|-------------------|
| Staff costs (see note 3) | 47,386 | 50,183 |
| Auditors' remuneration | 1,100 | 1,100 |
| Depreciation on fixed assets | 8,227 | 8,812 |
| Profit on disposal of fixed assets | - | (67) |
| | <u> </u> | <u> </u> |

EASTERN GARAGE (ESSEX) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1994

| | | | |
|--|------------------------------------|-----------------|-----------------|
| 3. EMPLOYEES | | <u>1994</u> | <u>1993</u> |
| | | £ | £ |
| (a) | Staff costs: (including directors) | | |
| | Wages and salaries | 45,941 | 46,819 |
| | Social security costs | 1,445 | 3,364 |
| | | <u>£ 47,386</u> | <u>£ 50,183</u> |
| (b) The average weekly number of employees during the year was made up as follows: | | No. | No. |
| | Workshop and management | 8 | 8 |
| | | <u>8</u> | <u>8</u> |
| (c) Directors' emoluments: | | | |
| | Salaries | 11,787 | 9,050 |
| | | <u>£ 11,787</u> | <u>£ 9,050</u> |
| Emoluments(excluding pension scheme contributions) were: | | | |
| | Chairman and highest paid director | <u>£ 8,750</u> | <u>£ 6,350</u> |
| Ranges for other directors: | | No. | No. |
| | £Nil - £5,000 | 2 | 2 |
| 4. INTEREST PAYABLE | | <u>1994</u> | <u>1993</u> |
| | | £ | £ |
| | Bank overdraft interest | 2,702 | 3,275 |
| | Lease interest | - | 286 |
| | Interest on overdue VAT | - | 412 |
| | | <u>£ 2,702</u> | <u>£ 3,973</u> |

EASTERN GARAGE (ESSEX) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1994

5. TAXATION

In the opinion of the directors the company is not liable to corporation tax in view of the trading losses sustained. At 31st May 1994 there were losses available for relief against future trading profits of approximately £80,000.

6. PRIOR YEAR ADJUSTMENT

| | <u>1994</u> £ | <u>1993</u> £ |
|----------------------|------------------|------------------|
| Goodwill written off | £ - | £ 115,500 |

This represents the effect of a change in the accounting policy for goodwill. Purchased goodwill which was previously being written off at the rate of £11,500 per annum is now written off against reserves immediately on acquisition.

7. TANGIBLE FIXED ASSETS

| | <u>Land and buildings</u> £ | <u>Fixtures and Furniture</u> £ | <u>Plant and equipment</u> £ | <u>Total</u> £ |
|---------------------------------------|------------------------------------|--|---|-------------------|
| <u>Cost</u> | | | | |
| At 1st June 1993 and 31st May 1994 | 23,809 | 6,891 | 29,361 | 60,061 |
| <u>Depreciation</u> | | | | |
| At 1st June 1993 | 10,985 | 2,205 | 14,280 | 27,470 |
| Charge for year | 5,496 | 469 | 2,262 | 8,227 |
| At 31st May 1994 | 16,481 | 2,674 | 16,542 | 35,697 |
| <u>Net Book Value</u> | | | | |
| At 31st May 1994 | £ 7,328 | £ 4,217 | £12,819 | £24,364 |
| At 31st May 1993 | £12,824 | £ 4,686 | £15,081 | £32,591 |

1994

The net book values of land and building comprises: £
Short leasehold 7,328

EASTERN GARAGE (ESSEX) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1994

| | | |
|---|--------------------|--------------------|
| 8. STOCKS | <u>1994</u> | <u>1993</u> |
| | £ | £ |
| The main categories of stock are: | | |
| Motor vehicles for resale | 4,930 | 850 |
| Parts | 2,337 | 2,800 |
| Fuel | 7,170 | 4,081 |
| | <u>£ 14,437</u> | <u>£ 7,731</u> |
| | <u>£ 14,437</u> | <u>£ 7,731</u> |
| 9. DEBTORS | <u>1994</u> | <u>1993</u> |
| | £ | £ |
| Due within one year: | | |
| Trade debtors | 27,853 | 27,959 |
| | <u>£ 27,853</u> | <u>£27,959</u> |
| | <u>£ 27,853</u> | <u>£27,959</u> |
| 10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR | <u>1994</u> | <u>1993</u> |
| | £ | £ |
| Bank overdraft (secured) | 25,282 | 31,518 |
| Trade creditors | 25,334 | 16,374 |
| Other taxes and social security costs | 7,580 | 8,378 |
| Accruals and deferred income | 4,150 | 4,150 |
| | <u>£ 62,346</u> | <u>£60,420</u> |
| | <u>£ 62,346</u> | <u>£60,420</u> |
| 11. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | <u>1994</u> | <u>1993</u> |
| | £ | £ |
| Other loans | 232,427 | 232,427 |
| | <u>£232,427</u> | <u>£232,427</u> |
| | <u>£232,427</u> | <u>£232,427</u> |
| (a) Other loans are unsecured, have no fixed repayment dates and are interest free. | | |
| 12. SHARE CAPITAL | <u>1994</u> | <u>1993</u> |
| | £ | £ |
| Authorised: | | |
| 20,000 Ordinary shares of £1 each | £20,000 | £20,000 |
| | <u>£20,000</u> | <u>£20,000</u> |
| Allotted, called up and fully paid: | | |
| 20,000 Ordinary shares of £1 each | £20,000 | £20,000 |
| | <u>£20,000</u> | <u>£20,000</u> |
| | <u>£20,000</u> | <u>£20,000</u> |

EASTERN GARAGE (ESSEX) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1994

13. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31st May 1994 the company did not have any capital commitments or contingent liabilities. (1993: nil)