



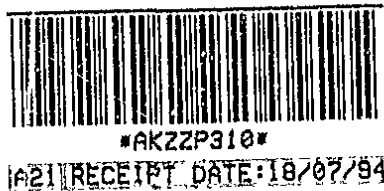
BDO Brierley Hamlyn  
Chartered Accountants

2 685390

**SPECKTOR LIMITED**

**DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS**

for the year ended 30 April 1994



Company number 2685390

Ave 82 up Belfast Birmingham Bristol Bury 11th 12th  
Exeter Edinburgh Glasgow London Luton  
Manchester Newbury Newcastle Nottingham  
Nottingham Peterborough Plymouth  
Reading Wolverhampton

**DIRECTORS**

K Hamer (Chairman)  
RG Gent  
DVF Wimpess (Non executive)

**SECRETARY**

PA Lamare

**REGISTERED OFFICE**

Bonehill Road  
Tamworth  
Staffordshire B78 3HH

**AUDITORS**

BDO Binder Hamlyn  
Beaufort House  
94-96 Newhall Street  
Birmingham B3 1PA

**BANKERS**

Royal Bank of Scotland plc  
79/83 Colmore Row  
Birmingham B3 7PA

**SOLICITORS**

Pinsent & Co  
3 Colmore Circus  
Birmingham B4 6BH

SPECKTOR LIMITED

CHAIRMAN'S STATEMENT  
for the year ended 30 April 1994

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The Directors' Report and Financial Statements have been prepared following our first full year of trading and provide a full insight into the business. I propose in my statement to deal with the key elements of the business, taking into account both the past and future business indicators facing the company.

Over the last year the continuing recession adversely affected our industry and this, however, enabled the company to take advantage by way of strong management control of the depressed building market and form a Ford Main Dealership here in Tamworth that has seen net assets increase by 94% since the company's commencement of trading on 1 August 1992.

The company has had an exciting and challenging first full year of trading and I am pleased to report a pre-tax profit for the year ended 30 April 1994.

The company has consistently performed as the Midlands' leading Ford Dealership with market share achievement of over 50% and, at the same time, attaining very high profit per vehicle sold. The company is now firmly on the map and industry and investors alike are watching progress with great anticipation. Recognition of the successes to date has come from many fields, for example BBC Business awards, BS 5750, Automotive Management Bronze Medal and various Ford Motor Company achievement awards including Parts National Award Winner for 1993.

With turnover for the period increasing on an annualised basis by 49% to £10,736,188 the company is confident that the predicted rise in the industry and our organic growth bodes well for the future.

We will continue to further our search for excellence in the coming year and look forward to further expansion by way of existing departmental growth and acquisitions.

As you can imagine, ours is a competitive business and one which consistent success depends upon being inventive and at the same time putting our long-standing experience to good use. With teamwork, dedication and further development of our people, we will be, as in the past, utterly determined to bring the company the maximum returns it deserves.

Finally, I must pay tribute to all our employees once again who contribute so greatly to the well-being of our business.



K Hamer  
Chairman

14 July 1994

# SPECKTOR LIMITED

## REVIEW OF THE BUSINESS for the year ended 30 April 1994

The Dealership's first full year of trading reflected continued growth in all departments. Departmental operating profits increased on our previous nine months trading as follows:

	Nine months ended 30 April 1993	Year ended 30 April 1994	Increase %
New vehicle sales	93,403	246,208	164
Used vehicle sales	74,840	116,411	56
Parts	32,523	72,439	123
Service	83,168	184,982	122
Rapid Fit	(3,579)	11,071	409
Bodyshop	-	(24,671)	-
	280,373	606,440	116

### New vehicle sales

New vehicle sales again performed well with unit sales of 761, an increase of 358 units representing 113% over the previous period. This department regularly leads Ford Motor Company Limited's performance league on market share as well as attaining higher profits brought about by maximising peripheral profit opportunities.

### Used vehicle sales

The used vehicle market has been more stable throughout this financial year. Unit sales were 510 which was an increase of 215 units representing 73% over the previous financial period.

The success of the new vehicle sales department has led to controls being introduced to monitor used vehicle stock balance and margins and the appointment of a used vehicle controller has already brought about increased benefits.

### Parts Department

Continued growth in this department has seen the parts department's contribution increase. With the addition of our own accident repair centre further improvements will be enjoyed. This performance has been rewarded by not only the increased profits, but also by the national award for excellence accreditation with the Ford Motor Company Limited.

### Service Department

The operating profit contribution of this aftersales department is running extremely well and going from strength to strength. The performance is to be congratulated for what is seen in the industry as a declining market due to manufacturers extending service intervals. Also impressive is this department's audit and document accountability.

## **SPECKTOR LIMITED**

### **REVIEW OF THE BUSINESS for the year ended 30 April 1994**

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#### **Rapid Fit**

Originally a pilot operation for Ford Motor Company Limited, Rapid Fit is now contributing to the operating profit and indirect dispersion. This initiative to venture into the older vehicle market which the fast-fit companies enjoy is expected to grow over the next few years, together with newer vehicles being more diagnostically maintained.

#### **Bodyshop**

The bodyshop was completed in late October 1993 and opened to business in November. This department has now to establish its position in the local market.

This site achieved Ford Approved Accident Repair Centre status in early December. Other benefits which will be brought about in the future are shared expense and extra economies to existing departments, including pre-delivery inspection, storage, valuing and this year the addition of Ford Rent-a-Car.

#### **Marketing and advertising**

The company has certainly taken a strong stance in the industry and prospective customers from both the private and business sectors are now fully aware of the benefits available from our company. The fixed price, no haggle, clear-cut professional image we portray has assisted in our successes to date.



**RG Gent**  
**Director**

**14 July 1994**

## **FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 30 April 1994. Comparative amounts are for the period from incorporation on 7 February 1992 to 30 April 1993 and include trading from 1 August 1992.

## **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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- 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.

## **PRINCIPAL ACTIVITIES**

The principal activity of the company is the operation of the Hamer Ford motor dealership in Tamworth.

## **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

A review of the business and future developments is included in the Chairman's Statement and the Review of the Business on pages 2 to 4.

## **RESULTS AND DIVIDENDS**

The company made a profit after taxation of £22,970 (period ended 30 April 1993: loss £144,650). The directors do not recommend payment of a dividend and recommend that the profit be transferred to reserves.

## **FIXED ASSETS**

Details of the movements in fixed assets during the year are set out in notes 6 and 7 to the financial statements.

## SPECKTOR LIMITED

### DIRECTORS' REPORT for the year ended 30 April 1994

#### DIRECTORS

The directors during the year were as follows:

K Hamer  
RG Gent  
DVF Wimpress (appointed 30 June 1993)

#### DIRECTORS' INTERESTS IN SHARES

The directors who held office at 30 April 1994 had the following beneficial interests in the shares of the company at the beginning (or date of appointment if later) and end of the financial year

	£1 Ordinary shares fully paid	
	1994	1993
K Hamer	5,300	5,300
RG Gent	700	700
DVF Wimpress	-	-*

\* at date of appointment

No director had an interest in the 'A' ordinary shares or the redeemable preference shares at any time during the year.

The directors hold a total of 60% of the voting rights of the combined ordinary and 'A' ordinary share capital. The remaining 40% of voting rights are held by 3i Group plc.

#### AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 14 July 1994.

K Hamer  
Director





BDO Binder Hamlyn  
Chartered Accountants

Beaufort House 94-96 Newhall Street  
Birmingham B3 1PA

**AUDITORS' REPORT**  
to the members of Specktor Limited

We have audited the financial statements on pages 8 to 21 which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

**Respective responsibilities of directors and auditors**

As described on page 5, 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 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 30 April 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Binder Hamlyn*

Chartered Accountants  
Registered Auditors

14 July 1994



**SPECKTOR LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 April 1994

	Notes	1994	Period ended 30 April 1993 as restated
		£	£
Turnover	2	10,736,188	5,413,454
Cost of sales		(9,106,369)	(4,663,169)
Gross profit		1,629,819	750,285
Administrative expenses		(1,441,935)	(769,988)
Profit/(loss) before amortisation of dealership development expenditure		187,884	(19,703)
Amortisation of dealership development expenditure		(4,320)	(14,128)
Operating profit/(loss)	3	183,564	(33,831)
Other interest receivable and similar income		934	5,883
Interest payable and similar charges	4	(161,528)	(116,702)
Profit/(loss) on ordinary activities before taxation	2	22,970	(144,650)
Tax on profit/(loss) on ordinary activities	5	-	
Retained profit/(loss) for the year	15	22,970	(144,650)

All of the above results derive from continuing activities and there were no acquisitions in either of the two periods.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 30 April 1994

	Notes	1994	Period ended 30 April 1993
		£	£
Profit/(loss) for the year		22,970	(144,650)
Unrealised surplus on revaluation of freehold land and buildings	15	277,704	246,874
Total recognised gains and losses for the year		300,674	102,224

## SPECKTOR LIMITED

BALANCE SHEET  
as at 30 April 1994

	Notes	1994	1993 as restated
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	6	95,398	80,057
Tangible assets	7	1,851,317	1,498,259
		1,946,715	1,578,316
<b>CURRENT ASSETS</b>			
Stocks	8	877,221	568,453
Debtors	9	589,416	392,997
Cash at bank and in hand		1,050	39,310
		1,467,687	1,000,760
<b>CREDITORS: amounts falling due within one year</b>	10	(1,629,422)	(1,056,150)
<b>Net current liabilities</b>		(161,735)	(55,390)
<b>Total assets less current liabilities</b>		1,784,980	1,522,926
<b>CREDITORS: amounts falling due after more than one year</b>	11	(954,550)	(993,170)
<b>Net assets</b>		830,430	529,756
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	370,000	370,000
Share premium account	15	57,532	57,532
Revaluation reserve	15	524,578	246,874
Profit and loss account	15	(121,680)	(144,650)
		830,430	529,756

The financial statements on pages 8 to 21 were approved by the Board on 14 July 1994.

K Hamer  
Director



## SPECKTOR LIMITED

CASH FLOW STATEMENT  
for the year ended 30 April 1994

	Notes	1994	Period ended 30 April 1993
		£	£
Net cash outflow from operating activities	17	(116,661)	(390,567)
Returns on investments and servicing of finance			
Interest received		934	5,883
Interest paid		(139,207)	(86,804)
Interest element of finance lease rental payments		(17,678)	(13,822)
Net cash outflow from returns on investments and servicing of finance		(155,951)	(94,743)
Investing activities			
Purchase of tangible fixed assets		(42,240)	(1,112,265)
Dealership development expenditure incurred		(19,661)	(94,185)
Net cash outflow from investing activities		(61,901)	(1,206,450)
Net cash outflow before financing		(334,513)	(1,691,760)
Financing			
New debenture loans		-	(850,000)
Capital element of finance lease rental payments		48,460	27,178
Issue of shares		-	(460,000)
Share issue costs		-	32,468
Net cash outflow/(inflow) from financing	19	48,460	(1,250,354)
Decrease in cash and cash equivalents	18	(382,973)	(441,406)
		(334,513)	(1,691,760)

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## 1 ACCOUNTING POLICIES

### Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

### Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of trade discounts and VAT.

### Intangible fixed assets and amortisation

Intangible fixed assets represent dealership development expenditure incurred prior to the motor dealership's opening and expenditure relating to long term sales campaigns. Intangible fixed assets are amortised over their estimated useful life of ten years.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Leasehold improvements	- over the term of the lease
Plant and machinery	- over 5 to 20 years
Fixtures and fittings	- over 5 to 20 years
Motor vehicles	- over 4 years

No depreciation is provided on freehold land and buildings as, in the opinion of the directors, the residual value would be sufficiently high to make any depreciation charge immaterial. The directors have based their estimate of residual value on current valuation. The company carries out full refurbishment to a high standard on an ongoing basis and costs are charged to the profit and loss account as they are incurred. Any permanent diminution in value are charged to the profit and loss account as it is incurred.

### Leasing and hire purchase commitments

Assets obtained under leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

1 ACCOUNTING POLICIES *continued*

## Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase cost on a first-in, first-out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred prior to disposal.

## Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

## Pension costs

Pension contributions made to defined contribution schemes are charged to the profit and loss account in the year incurred.

## Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards

2 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES  
BEFORE TAXATION

Class of business	Turnover 1994 £	Profit/ (loss) 1994 £	Turnover 1993 £	Profit/ (loss) 1993 £
New vehicle sales	5,835,991	246,208	2,683,695	93,403
Used vehicle sales	3,589,817	116,411	2,023,831	74,840
Parts	742,459	72,439	425,106	32,523
Service	388,865	184,982	219,074	83,186
Bodyshop	100,217	(24,671)	-	-
Rapid Fit	78,839	11,071	61,748	(3,579)
	10,736,188	606,440	5,413,454	280,373
Central administration expenses		(422,876)		(314,204)
Operating profit/(loss)		183,564		(33,831)
Net interest payable		(160,594)		(110,819)
Profit/(loss) on ordinary activities before taxation		22,970		(144,650)

## NOTES TO THE FINANCIAL STATEMENTS

## 3 OPERATING PROFIT/(LOSS)

is stated after charging:

	Year ended 30 April 1994 £	Period ended 30 April 1993 £
Amortisation of dealership development expenditure	4,320	14,128
Depreciation: owned fixed assets	12,675	7,119
Depreciation: assets under finance leases	22,322	13,042
Operating lease rentals - land and buildings	11,700	8,300
Auditors' remuneration	6,000	5,000

## 4 INTEREST PAYABLE AND SIMILAR CHARGES

On loans and overdrafts repayable:

within 5 years not by instalments

90,772 56,596

wholly or partly in more than 5 years

53,078 46,284

143,850 102,880

On finance leases:

terminating within 5 years

17,678 13,822

161,528 116,702

## 5 TAXATION

Due to losses incurred, no liability to corporation tax arises. Tax losses of approximately £207,000 (1993: £210,000) are available to carry forward against future profits.

## 6 INTANGIBLE FIXED ASSETS

Dealership  
development  
expenditure  
£

Cost

1 May 1993

94,185

Additions

19,661

30 April 1994

113,846

Amortisation

1 May 1993

14,128

Charge for the year

4,320

30 April 1994

18,448

Net book value

30 April 1994

95,398

30 April 1993

80,057

## NOTES TO THE FINANCIAL STATEMENTS

## 7 TANGIBLE FIXED ASSETS

(1) Summary	Freehold land and buildings £	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost or valuation</i>						
1 May 1993	1,271,600	-	138,056	88,900	19,864	1,518,420
Additions	696	13,381	82,204	14,070	-	110,351
Revaluation	277,704	-	-	-	-	277,704
30 April 1994	1,550,000	13,381	220,260	102,970	19,864	1,906,475
<i>Depreciation</i>						
1 May 1993	-	-	10,671	6,111	3,379	20,161
Charge for the year	-	371	20,438	9,683	4,505	34,997
30 April 1994	-	371	31,109	15,794	7,884	55,158
<i>Net book value</i>						
Owned assets	1,550,000	13,010	48,456	47,823	-	1,659,289
Leased assets	-	-	140,695	39,353	11,980	192,028
30 April 1994	1,550,000	13,010	189,151	87,176	11,980	1,851,317
Owned assets	1,271,600	-	30,969	49,451	-	1,352,020
Leased assets	-	-	96,416	33,338	16,485	146,239
30 April 1993	1,271,600	-	127,385	82,789	16,485	1,498,259

## (2) Asset revaluations

Freehold land and buildings were revalued at 30 April 1994 on the basis of an open market valuation for existing use by Grimley JR Eve, Chartered Surveyors.

If freehold land and buildings had not been revalued they would have been included at the following amounts:

	1994 £	1993 £
Cost	1,025,422	1,024,726
Depreciation	-	-
Net book value	1,025,422	1,024,726

## NOTES TO THE FINANCIAL STATEMENTS

## 8 STOCKS

Goods for resale	877,221	568,453
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## 9 DEBTORS

Trade debtors	391,377	239,652
Other debtors	51,106	65,289
Prepayments and accrued income	146,933	88,056
	589,416	392,997

## 10 CREDITORS: amounts falling due within one year

Debenture loans	20,000	-
Bank overdraft	10,157	-
Stock financing loans	815,272	480,716
Obligations under finance leases	60,941	31,187
Trade creditors	551,098	366,218
Other taxes and social security costs	31,946	18,517
Other creditors	96,638	131,575
Accruals and deferred income	43,370	27,937
	1,629,422	1,056,150

The bank overdraft is secured by a second fixed charge over the freehold land and buildings of the company and fixed and floating charges over all of the other assets of the company.

Stock financing loans are secured by a first floating charge over the new and used vehicle stocks of the company and a third fixed charge over the freehold land and buildings of the company.

## 11 CREDITORS: amounts falling due after more than one year

	1994 £	1993 £
Debenture loans	830,000	850,000
Obligations under finance leases repayable within five years	90,813	100,916
Other creditors	33,737	42,254
	954,550	993,170



## NOTES TO THE FINANCIAL STATEMENTS

## 12 LOANS

(1) Analysis	Due after more than five years 1994 £	Total 1994 £	Due after more than five years 1993 £	Total 1993 £
10% fixed repayable in 24 equal biannual instalments commencing 31 December 1999	400,000	400,000	400,000	400,000
8.125% fixed repayable 30 June 1997	-	350,000	-	350,000
15.75% fixed repayable in 20 equal quarterly instalments commencing 30 June 1994	-	100,000	20,000	100,000
	400,000	850,000	420,000	850,000

## (2) Security

All loans are secured by a first fixed charge over the company's freehold land and buildings and fixed and floating charges over all of the other assets of the company.

## 13 DEFERRED TAXATION

No provision for deferred taxation is required. The total potential tax liability is as follows:

	1994 £	1993 £
Accelerated capital allowances	8,012	3,067
Other timing differences	(5,512)	-
Tax losses available	(68,300)	(69,300)
	(65,800)	(66,233)
Taxation on revaluation surplus of land and buildings	160,000	77,000
	94,200	10,767

## NOTES TO THE FINANCIAL STATEMENTS

## 14 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1994 Number	1993 Number	1994 £	1993 £
£1 Ordinary shares	6,000	6,000	6,000	6,000
£1 'A' Ordinary shares	4,000	4,000	4,000	4,000
£1 11.5% Redeemable preference shares	360,000	360,000	360,000	360,000
	370,000	370,000	370,000	370,000

The 11.5% redeemable preference shares are redeemable at par in twelve equal quarterly instalments commencing 30 April 1995.

## 15 RESERVES

## (1) Summary

	Share premium account £	Revaluation reserve £	Profit and loss account £
1 May 1993 - as reported	57,532	258,495	(156,271)
Prior year adjustment	-	(11,621)	11,621
1 May 1993 - as restated	57,532	246,874	(144,650)
Surplus on revaluation of freehold land and buildings	-	277,704	-
Retained profit for the year	-	-	22,970
30 April 1994	57,532	524,578	(121,680)

No provision has been made for the additional taxation that would accrue if freehold land and buildings were disposed of at their revalued amounts. The potential liability to such taxation is set out in note 13.

## (2) Prior year adjustment

	1994 £	1993 £
Depreciation of freehold buildings	11,621	-

Depreciation was provided on freehold buildings during the period ended 30 April 1993 as the directors were of the opinion that this represented a prudent policy given the uncertainty, after just nine months of trading, over the residual value of the company's freehold buildings. The directors have reviewed this policy during the current year and are of the opinion that the residual value of the company's freehold property is sufficiently high to make any depreciation charge immaterial.

**SPECKTOR LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	1994 £	1993 £
Profit/(loss) for the year	22,970	(144,650)
New share capital subscribed	-	460,000
Expenses of share issue	-	(32,468)
Surplus on revaluation of freehold land and buildings	277,704	246,874
Net addition to shareholders' funds	300,674	529,756
Opening shareholders' funds	529,756	-
Closing shareholders' funds	830,430	529,756

**17 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Year ended 30 April 1994 £	Period ended 30 April 1993 £
Operating profit/(loss)	183,564	(33,831)
Amortisation of dealership development expenditure	4,320	14,128
Depreciation of tangible fixed assets	34,997	20,161
Increase in stocks	(308,768)	(568,453)
Increase in debtors	(196,419)	(392,997)
Increase in creditors	165,645	570,425
Net cash outflow from operating activities	(116,661)	(390,567)

**18 CASH AND CASH EQUIVALENTS**

**(1) Balance of cash and cash equivalents**

Cash at bank and in hand	1,050	39,310
Bank overdraft	(10,157)	-
Stock financing loans	(815,272)	(480,716)
	(824,379)	(441,406)

**(2) Change in the balance of cash and cash equivalents**

At the beginning of the year	(441,406)	-
Net cash outflow for the year	(382,973)	(441,406)
At the end of the year	(824,379)	(441,406)

## NOTES TO THE FINANCIAL STATEMENTS

19 ANALYSIS OF CHANGES IN FINANCING  
DURING THE YEAR

	Share capital (including premium) £	Debenture loans and finance lease obligations £
At the beginning of the year	427,532	982,103
Cash outflow from financing	-	(48,460)
New finance leases entered into	-	68,111
At the end of the year	427,532	1,001,754

## 20 FINANCIAL COMMITMENTS

## (1) Operating leases

At 30 April 1994 the company had the following annual commitments under non-cancellable operating leases:

	Land and buildings	
	1994	1993
	£	£
Expiring after more than five years	30,000	-

## (2) Capital commitments

At 30 April 1994 the directors had authorised capital expenditure as follows:

	1994	1993
	£	£
Authorised but not committed	-	50,000
Against which orders had been placed		
- finance leases entered into	14,000	-
- other	-	-
	14,000	50,000

## NOTES TO THE FINANCIAL STATEMENTS

## 21 DIRECTORS

Year ended 30 April 1994 £	Period ended 30 April 1993 £
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## (1) Emoluments

The emoluments of directors of the company were:

Management remuneration (including pension contributions and benefits in kind)	90,950	94,299
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## (2) Bandings

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

The Chairman (who was the highest paid director)	53,961	55,116
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Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£0 - £ 5,000	1	2
£35,001 - £40,000	1	1

## (3) Other transactions with directors

DVF Wimpress, the non executive director, received no fee or remuneration for his services as a director during the year but received consultancy fees amounting to £1,885.

**22 EMPLOYEES****(1) Number of employees**

The average weekly number of persons (including directors) employed by the company during the year was:

	Year ended 30 April 1994 Number	Period ended 30 April 1993 Number
Vehicle sales	13	7
Parts and service	32	18
Administration	11	6
	56	31

The company commenced trading on 1 August 1992. The comparative average weekly number of persons employed relates to the whole of the period 7 February 1992 to 30 April 1993.

<b>(2) Employment costs</b>	£	£
Wages and salaries	714,332	381,552
Social security costs	72,863	43,222
Other pension costs	3,000	3,000
	790,195	427,774