



**Primcrest Limited**

**Annual Report**

**Year ended 30 April 1997**



# **Primcrest Limited**

Annual Report

Year ended 30 April 1997

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# **Primcrest Limited**

## **Directors' Report**

The directors submit their report and the audited financial statements for the year ended 30 April 1997.

### **Results**

The trading loss for the year after tax was £4,167.

### **Principal activity**

The company's principal activity during the year continued to be that of traders in motor vehicles.

### **Directors**

The directors who served during the year and their interests in the shares of the company throughout were as follows:

	<b>Ordinary Shares</b>
Mrs B M Belcher	50
M P Belcher	1
S J K Goss	49

### **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 period. 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;
- 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.

# Primcrest Limited

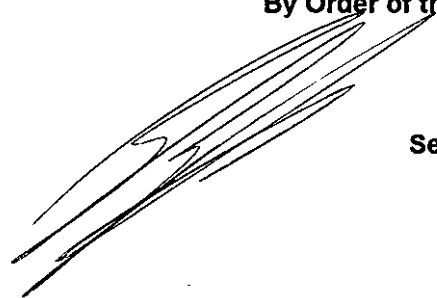
Directors' Report continued

## Auditors

A resolution to reappoint the auditors, Francis Clark, Chartered Accountants, will be proposed at the annual general meeting.

*This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.*

**By Order of the Board**

A handwritten signature in dark ink, consisting of several overlapping, sweeping strokes that form a stylized, cursive-like mark.

**Secretary**

# Primcrest Limited

## Auditors' Report to the Members

We have audited the financial statements on pages 4 to 9.

### Respective responsibilities of directors and auditors

As described on page 1 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 the Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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. However, the evidence available to us was limited because we were not appointed auditors of the company until 30 August 1996 and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence as regards stocks included in the preceding years' financial statements at £70,200. Any adjustment to opening stocks would have a consequential effect on the loss for the year ended 30 April 1997.

### Qualified opinion arising from limitation in audit scope

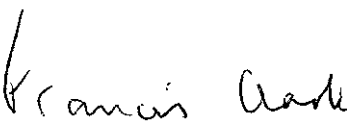
In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1997 and, except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stocks as at 1 May 1996 of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stocks:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

Francis Clark  
Chartered Accountants  
NEWTON ABBOT

17 February 1998

  
Registered Auditors

# Primcrest Limited

## Profit and Loss Account

Year ended 30 April 1997

	Notes	1997 £	1996 £
<b>Turnover</b>		<b>1,802,159</b>	<b>1,570,457</b>
Cost of sales		<u>1,769,737</u>	<u>1,524,694</u>
<b>Gross profit</b>		<b>32,422</b>	<b>45,763</b>
Administrative expenses		<u>(166,496)</u>	<u>(108,500)</u>
		<b>(134,074)</b>	<b>(62,737)</b>
Other operating income		<u>131,975</u>	<u>22,900</u>
<b>Operating loss</b>		<b>(2,099)</b>	<b>(39,837)</b>
Interest payable		<u>2,068</u>	<u>2,968</u>
<b>Loss on ordinary activities before taxation</b>	2	<b>(4,167)</b>	<b>(42,805)</b>
Taxation on loss on ordinary activities	3	<u>-</u>	<u>-</u>
<b>Deficit transferred from reserves</b>	9	<b><u>£ (4,167)</u></b>	<b><u>£ (42,805)</u></b>

Movements on reserves are set out in note 9 on page 8.

The company has no recognised gains or losses other than the loss for the year.

The company's results derive from continuing activities.

# Primcrest Limited

## Balance Sheet

30 April 1997

	Notes	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	4	<u>1,288</u>	<u>1,468</u>
<b>Current assets</b>			
Stocks	5	55,905	70,200
Debtors	6	<u>206,932</u>	<u>197,102</u>
		262,837	267,302
<b>Creditors - Amounts falling due within one year</b>	7	<u>324,917</u>	<u>316,228</u>
<b>Net current liabilities</b>		<u>(62,080)</u>	<u>(48,926)</u>
<b>Total assets less current liabilities</b>		(60,792)	(47,458)
<b>Creditors - Amounts falling due after more than one year</b>	7	-	9,167
		<u>£ (60,792)</u>	<u>£ (56,625)</u>
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	<u>(60,892)</u>	<u>(56,725)</u>
<b>Shareholders' funds</b>	9	<u>£ (60,792)</u>	<u>£ (56,625)</u>

*The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.*

Approved by the Board on 27 February 1998 and signed on its behalf by

Director

# Primcrest Limited

## Notes and Accounting Policies

Year ended 30 April 1997

### 1 Accounting Policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

(a) **Turnover**

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

(b) **Tangible fixed assets and depreciation**

Tangible assets are depreciated by equal annual instalments over their estimated useful lives, at the following rates:

Fixtures, fittings and equipment	15-25%
----------------------------------	--------

(c) **Stock**

Stock is stated at the lower of cost and net realisable value using the first in first out method.

Cost comprises the actual cost of purchases. Net realisable value is the estimated selling price reduced by all costs of selling and distribution.

(d) **Deferred taxation**

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

(e) **Assets held under hire purchase agreements**

Vehicles purchased for resale which are held under hire purchase agreements are treated as stock. The finance charges are allocated over the agreement period in equal monthly instalments.

(f) **Pension costs**

Retirement benefits for certain employees are provided by money purchase schemes which are funded by contributions from the company. Contributions are charged against profits of the year in which they are paid.

### 2 Loss on Ordinary Activities Before Taxation

1997  
£

1996  
£

The loss on ordinary activities before taxation is after charging:

Directors' emoluments	55,000	55,000
Auditors remuneration	2,000	2,000
Finance charges on hire purchase agreements	1,200	675
Depreciation written off tangible fixed assets	180	159
Pension contributions	2,400	600



# Primcrest Limited

## Notes and Accounting Policies

Year ended 30 April 1997

### 3 Taxation

No provision is necessary for corporation tax due to the availability of losses. Losses available for relief against future profits amount to £60,000 (1996 - £ 56,000)

### 4 Fixed Assets - Tangible

Cost	Fixture, fittings & equipment £
At 1 May 1996 and at 30 April 1997	1,627
Depreciation	
At 1 May 1996	159
Charge for year	180
At 30 April 1997	339
Net book amounts	
At 30 April 1996	£1,468
At 30 April 1997	£1,288

5 Stock	1997 £	1996 £
Goods for resale	£55,905	£70,200

### 6 Debtors

Due within one year:

Trade debtors	52,316	14,488
Amounts due from related undertakings	136,745	171,492
Corporation tax recoverable	1,800	-
Other taxation	4,349	-
Other debtors	11,722	11,122
	£206,932	£197,102

# Primcrest Limited

## Notes and Accounting Policies

Year ended 30 April 1997

### 7 Creditors

	1997 £	1996 £
Amounts falling due within one year:		
Bank overdraft	79,769	69,448
Trade creditors	66,022	79,017
Amounts due to related undertakings	141,753	141,050
Other taxation and social security	3,206	11,073
Hire purchase instalments	9,167	10,000
Directors' current accounts	13,300	-
Other creditors	11,700	5,640
	<u>£324,917</u>	<u>£316,228</u>
Amounts falling due after more than one year:		
Hire purchase instalments	£ -	£9,167

All hire purchase instalments are repayable within five years.

Security has been given by the company in respect of £9,167 (1996 - £19,167) of the above creditors.

### 8 Share Capital

There was no change in share capital during the year.

	Authorised	Allotted and fully paid
Ordinary shares of £1 each	£1,000	£100

### 9 Movement in Shareholders' Funds

	Share capital £	Profit and loss account £	1997 £	1996 £
At 1 May 1996		100	(56,725)	(56,625)
(13,820)				
Loss for the year	-	(4,167)	(4,167)	(42,805)
At 30 April 1997	<u>£100</u>	<u>£ (60,892)</u>	<u>£ (60,792)</u>	<u>£ (56,625)</u>

# Primcrest Limited

## Notes and Accounting Policies

Year ended 30 April 1997

### 10 Control

The company is under the effective control of its directors.

### 11 Related Party Transactions

- a) During the year the company entered into transactions with companies in which the directors hold an interest as follows:

	<b>Bushbond Limited</b> £	<b>Brooklands (Exeter) Limited</b> £	<b>Slade &amp; Sons Limited</b> £	<b>Option Allied Limited</b> £
Management charges				
receivable	51,675	53,700	26,600	-
Sales	91,000	1,345,000	11,000	-
Purchases	-	2,250	-	-
Recharged expenses	-	-	-	1,444
Debtor (creditor) as at 30 April 1997	<u>(141,753)</u>	<u>115,156</u>	<u>20,145</u>	<u>1,444</u>

- b) During the year the company entered into the following transactions with the directors:

	<b>M P Belcher</b> £	<b>Mrs B M Belcher</b> £
Purchase of vehicle	-	6,000
Creditor as at 30 April 1997	<u>7,300</u>	<u>6,000</u>

### 12 Going Concern

The company's balance sheet shows an excess of liabilities over assets amounting to £60,792. The continuation of the company's activities is dependent therefore upon the support of its bankers.

The accounts have been prepared on the going concern basis on the assumption that their support will continue.