

**HELPHIRE FINANCE LIMITED**  
**REPORT & FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 1999**



Company Number:3069954

**HELPHIRE FINANCE LIMITED**  
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**YEAR ENDED 31 MARCH 1999**

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**HELPHIRE FINANCE LIMITED**  
**OFFICERS & PROFESSIONAL ADVISERS**

<b>DIRECTORS:</b>	M J Symons D E Lindsay
<b>SECRETARY:</b>	D E Lindsay
<b>REGISTERED OFFICE:</b>	White Hart House High Street Limpsfield Surrey RH8 0DT
<b>AUDITORS:</b>	Arthur Andersen Broad Quay House Broad Quay Bristol BS1 4DJ
<b>BANKERS:</b>	Midland Bank plc 45 Milsom Street Bath BA1 1DU
<b>SOLICITORS:</b>	Fenners 180 Fleet Street London EC4A 2HD
<b>COMPANY NUMBER:</b>	3069954

# **HELPHIRE FINANCE LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 March 1999.

### **1. ACTIVITIES**

The company's principal activity during the year was the financing of vehicle repairs arising from insurance claims.

### **2. RESULTS**

The audited financial statements for the year ended 31 March 1999 are set out on pages 6 to 11. The profit for the year after taxation was £1,022,926 (1998: £ 708,820). The directors propose to pay a dividend of £1,000,000 (1998: £500,000). The retained profit for the year of £ 22,926 will be transferred to reserves.

The directors are satisfied with the results for the year and will continue to seek appropriate trading opportunities to further enhance profitability in the forthcoming year.

### **3. DIRECTORS**

The directors who served during the year are set out on page 1. No directors held any interest in the share capital of the company at 31 March 1999 or at any time during the year.

The company is 100% owned by Helphire Group plc. The interests of the directors in the shares of Helphire Group plc are disclosed in the accounts of that company.

### **4. SUPPLIER PAYMENT POLICY**

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by those terms.

## **5. YEAR 2000 COMPLIANCE**

We are carrying out a programme to ensure Year 2000 compliance of business critical systems.

Specifically, we have live tested systems through the critical date period and beyond. One major system is not compliant, but is currently being replaced by a compliant system.

Our Year 2000 plans will have ensured that all business critical systems are compliant by the end of the third quarter of 1999. The cost of testing and replacement is not considered significant when set against the ongoing major revenue and capital spends.

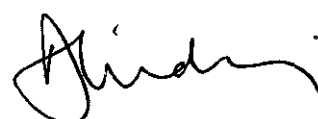
The question of Year 2000 compliance of customers and suppliers is not considered to be in any way business critical, although assurances on compliance have been sought from our banking suppliers.

## **6. AUDITORS**

The directors will place a resolution before the next annual general meeting to reappoint Arthur Andersen for the forthcoming year.

BY ORDER OF THE BOARD

24 May 1999



**D E Lindsay**  
Secretary

## **HELPHIRE FINANCE LIMITED**

### **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;
- 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.

### **Auditors' responsibilities**

Company law requires the auditors to form an independent opinion on the accounts presented by the directors based on their audit and to report their opinion to the shareholders. The Companies Act 1985 also requires the auditors to report to the shareholders if the following requirements are not met:

- that the company has maintained proper accounting records
- that the financial statements are in agreement with the accounting records
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of the audit.

The auditors' opinion does not encompass the director's report on pages 2 and 3. However, the Companies Act 1985 requires auditors to report to shareholders if matters contained in the directors' report are inconsistent with the financial statements.

**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
HELPHIRE FINANCE LIMITED**

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the 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 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 circumstances of the company, 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 presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1999 and of the its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**  
Broad Quay House  
Broad Quay  
Bristol  
BS1 4DJ

24 May 1999

# HELPHIRE FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
<b>TURNOVER</b>	2	22,522,218	13,310,726
Cost of Sales		(20,471,475)	(12,016,003)
<b>GROSS PROFIT</b>		2,050,743	1,294,723
Administration Expenses		(45,711)	(58,719)
<b>OPERATING PROFIT</b>		2,005,032	1,236,004
Interest payable and similar charges	5	(519,135)	(219,943)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	1,485,897	1,016,061
Tax on profit on ordinary activities	7	(462,971)	(307,241)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,022,926	708,820
Dividends paid and proposed	8	(1,000,000)	(500,000)
<b>RETAINED PROFIT FOR THE FINANCIAL PERIOD</b>	12	22,926	208,820

All turnover and operating profit is derived from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company made no gains or losses in the year other than those recognised in the profit & loss account above.



# HELPHIRE FINANCE LIMITED

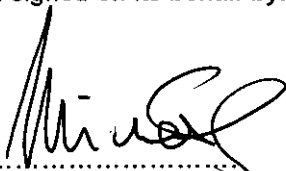
## BALANCE SHEET

AS AT 31 MARCH 1999

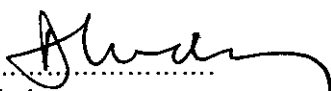
	Note	1999 £	1998 £
<b>CURRENT ASSETS</b>			
Debtors	9	15,074,238	6,601,226
<b>CREDITORS: Amounts falling due within one year</b>	10	(14,595,274)	(6,145,188)
<b>NET ASSETS</b>		<u>478,964</u>	<u>456,038</u>
<b>CAPITAL &amp; RESERVES</b>			
Called up share capital	11	25,000	25,000
Profit & Loss account	12	<u>453,964</u>	<u>431,038</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>478,964</u>	<u>456,038</u>

The accompanying notes are an integral part of this balance sheet.

The accounts on pages 6 to 11 were approved by the Board of Directors on 24 May 1999 and signed on its behalf by:



MJ Symons  
Director



DE Lindsay  
Director

**HELPHIRE FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 1998**

**1. ACCOUNTING POLICIES**

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**b) Income Recognition**

Credit repair income is recognised on transactions which have been completed during the year together with an appropriate proportion of income in respect of repairs in progress at the year end.

**c) Taxation**

Corporation tax payable is provided upon taxable profits at the current rate.

**2. TURNOVER**

Turnover arises wholly from the principal activities of the company within the United Kingdom.

**3. CASH FLOW STATEMENT**

As permitted by Financial Reporting Standard Number 1 (revised), the company has not prepared a cash flow statement because the consolidated accounts of the ultimate parent undertaking, Helphire Group plc, contain a cash flow statement that includes the cash flows of the company.

**HELPHIRE FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 1999**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1999	1998
	£	£
Wages & Salaries	35,870	28,944
Social security costs	3,423	2,852
Pension costs	460	239
	<u>39,753</u>	<u>32,035</u>
 Average number of persons employed (including directors):	 No.	 No.
Office & Management	<u>4</u>	<u>3</u>

The Directors' emoluments were paid by Helphire Group plc and are disclosed in the group accounts.

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	£	£
Intercompany interest payable	<u>519,135</u>	<u>219,943</u>

**6. AUDITORS' REMUNERATION**

The auditors' remuneration for each year has been paid by the ultimate parent company.

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	£	£
Corporation tax on profit for the period at 31%	473,362	309,068
Credit for over-provision in respect of prior year	(10,391)	(1,827)
Corporation tax charge for the year	<u>462,971</u>	<u>307,241</u>

**HELPHIRE FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 1998**

**8. DIVIDENDS**

Dividends represent a final proposed dividend payable of £40 per ordinary share (1998: £20).

	1999 £	1998 £
<b>9. DEBTORS: Amounts falling due within one year</b>		
Trade Debtors	14,856,513	6,597,457
Other Debtors	117,059	-
Amounts due from fellow subsidiary undertakings	100,666	3,769
	<u>15,074,238</u>	<u>6,601,226</u>

	£	£
<b>10. CREDITORS: Amounts falling due within one year</b>		
Bank Overdraft	169,063	78,464
Trade Creditors	-	1,075,306
Amounts owed to fellow subsidiary undertakings	10,135,763	3,026,710
Amounts owed to parent undertaking	1,657,415	1,154,528
Corporation tax	473,362	309,068
Other creditors & accruals	1,159,671	1,112
Dividend payable	1,000,000	500,000
	<u>14,595,274</u>	<u>6,145,188</u>

	£	£
<b>11. SHARE CAPITAL</b>		
<b>Authorised</b>		
500,000 Ordinary shares of £1 each.	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid.</b>		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

**HELPHIRE FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 1999**

<b>12. PROFIT &amp; LOSS RESERVE</b>	<b>1999 £</b>	<b>1998 £</b>
Balance at 1 April 1998	431,038	222,218
Retained profit for the financial year	22,926	208,820
Balance at 31 March 1999	<u>453,964</u>	<u>431,038</u>

<b>13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>£</b>	<b>£</b>
Retained profit for the year	22,926	208,820
Opening Shareholders' Funds	456,038	247,218
Closing Shareholders' Funds	<u>478,964</u>	<u>456,038</u>

**14. TRANSACTIONS WITH RELATED PARTIES**

The company is a wholly owned subsidiary of Helphire Group plc. The company has therefore taken advantage of the exemptions available under Financial Reporting Standard 8 with regard to non-disclosure of transactions between group companies.

**15. CONTINGENT LIABILITY**

The company has entered into cross guarantees to the group's bank in respect of the borrowings of its parent and fellow subsidiary undertakings. At 31 March 1999 the total contingent liability in respect of group borrowings was £14.6m (1998:£6.1m).

**16. ULTIMATE PARENT UNDERTAKING**

The company's immediate and ultimate parent undertaking is Helphire Group plc, a company incorporated in the UK. The accounts of the group are publically available and may be obtained from David Lindsay, Helphire Group plc, Church Farm Business Park, Corston, Bath, BA2 9AP.