

REGISTERED NUMBER:
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CAMERON MOTORS (PERTH) LIMITED

FINANCIAL STATEMENTS

31 MAY 1999

Friend & Co., CHARTERED ACCOUNTANTS

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CAMERON MOTORS (PERTH) LIMITED

FINANCIAL STATEMENTS

31 MAY 1999

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CAMERON MOTORS (PERTH) LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the year ended 31 May 1999.

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the buying and selling of new and used motor vehicles, the supply of spare parts and vehicle servicing. The company transferred its Audi franchise to its fellow group company Douglas Cameron (Perth) Limited with effect from 1 January 1999 but continues to operate an expanded Volkswagen franchise.

TRADING RESULTS AND REVIEW OF THE BUSINESS

The profit for the year after taxation was £258,141 (1998 - £470,435). The directors do not propose the payment of a dividend and, accordingly, this amount has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year were as follows:

I D Cameron
M Cameron
C A Stewart
W D Anderson

None of the directors held any interest in the shares of the company during the year.

The interests of the directors in the shares of the parent company, Ian H Cameron Limited, are shown in the *financial statements of that company*.

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;
- 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.

CAMERON MOTORS (PERTH) LIMITED

DIRECTORS' REPORT (continued)

YEAR 2000 COMPLIANCE

The directors have identified the potential risks to the company arising out of the Year 2000 computer problem. They are satisfied that the company's computer hardware and software, and its other date-sensitive electronic and electromechanical systems, are fully Year 2000 compliant.

AUDITORS

A resolution to re-appoint Friend & Co as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 29 September 1999.

Signed on behalf of the directors:

A handwritten signature in black ink, appearing to be 'I D Cameron', followed by a long horizontal line.

I D CAMERON
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS OF
CAMERON MOTORS (PERTH) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the accounting policies set out on page 6.

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 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 31 May 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FRIEND & CO
Chartered Accountants and Registered Auditors

Neville House
42-46 Hagley Road
Edgbaston
Birmingham
B16 8PE

29 September 1999

CAMERON MOTORS (PERTH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1999

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
TURNOVER	1	15,280,710	17,628,990
Cost of sales		13,930,791	16,052,136
GROSS PROFIT		1,349,919	1,576,854
Other income		(534,719)	(556,556)
Administrative expenses		1,583,224	1,501,442
OPERATING PROFIT		301,414	631,968
Interest receivable		(56,285)	(50,178)
Interest payable	2	24,610	18,994
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	333,089	663,152
Taxation	4	74,948	192,717
PROFIT FOR THE FINANCIAL YEAR	11	258,141	470,435
BALANCE BROUGHT FORWARD		2,703,709	2,233,274
BALANCE CARRIED FORWARD		<u>£2,961,850</u>	<u>£2,703,709</u>

The company transferred its Audi franchise to its fellow group company, Douglas Cameron (Perth) Limited, with effect from 1 January 1999. No other activity was acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form part of these financial statements.

CAMERON MOTORS (PERTH) LIMITED

BALANCE SHEET AT 31 MAY 1999

	<u>Notes</u>	£	<u>1999</u> £	<u>1998</u> £
FIXED ASSETS				
Tangible assets	5		463,626	584,245
CURRENT ASSETS				
Stocks held for resale	6	1,994,619		2,232,399
Debtors	7	2,125,941		1,809,633
Cash at bank and in hand		859,889		1,148,555
		<hr/>		<hr/>
		4,980,449		5,190,587
CREDITORS: amounts falling due within one year	8	2,418,825		3,006,223
		<hr/>		<hr/>
NET CURRENT ASSETS			2,561,624	2,184,364
			<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,025,250	2,768,609
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	9		43,400	44,900
			<hr/>	<hr/>
			£2,981,850	£2,723,709
			<hr/>	<hr/>
CAPITAL AND RESERVES				
Called up share capital	10		20,000	20,000
Profit and loss account			2,961,850	2,703,709
			<hr/>	<hr/>
SHAREHOLDERS' FUNDS	11		£2,981,850	£2,723,709
			<hr/>	<hr/>

These financial statements were approved by the board of directors on 29 September 1999 and signed on its behalf.



I D CAMERON, Director

The notes on pages 6 to 10 form part of these financial statements.

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS -- 31 MAY 1999

1. ACCOUNTING POLICIES

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

The principal accounting policies of the company, which remain unchanged from the previous year, are set out below.

a) Turnover

Turnover comprises income from sales and work done, excluding value added tax, and is all within the United Kingdom.

b) Tangible fixed assets

Depreciation is calculated, on an annual basis, so as to write off the cost of tangible fixed assets over their expected useful lives, as follows:

Property improvements	2% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	10% reducing balance
Computer equipment	25% straight line
Motor vehicles	33% straight line.

c) Stocks

Stocks are stated at the lower of cost and net realisable value. In accordance with Financial Reporting Standard No 5 stocks include vehicles on consignment from the manufacturer.

d) Deferred taxation

Deferred taxation is provided, using the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. Provision is made only where there is a reasonable probability that such tax will become payable in the foreseeable future.

e) Pensions

The company operates a pension scheme providing benefits based on defined contributions. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account as incurred.

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<u>1999</u> £	<u>1998</u> £
Depreciation of tangible fixed assets	59,915	72,097
Auditors' remuneration	8,500	8,500
Bank interest payable	2,247	-
Other interest payable	22,363	18,994
	<u>=====</u>	<u>=====</u>

3. DIRECTORS AND EMPLOYEES

Directors' remuneration:

	<u>1999</u> £	<u>1998</u> £
Emoluments	309,574	253,928
Contributions to money purchase pension schemes	5,062	5,062
	<u>=====</u>	<u>=====</u>
	£314,636	£258,990

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	<u>1999</u>	<u>1998</u>
Emoluments	£213,000	£158,400
	<u>=====</u>	<u>=====</u>

	<u>1999</u> <u>Number</u>	<u>1998</u> <u>Number</u>
--	------------------------------	------------------------------

During the year the following number of directors accrued benefits under a money purchase pension scheme	1	1
	<u>=====</u>	<u>=====</u>

	<u>1999</u> £	<u>1998</u> £
Staff costs comprise:		
Wages and salaries	1,055,714	1,045,332
Social security costs	103,404	94,810
Other pension costs	24,143	24,252
	<u>=====</u>	<u>=====</u>
	£1,183,261	£1,164,394

The average weekly number of employees (including directors) during the year was 56 (1998 - 60).

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. TAXATION

	<u>1999</u> £	<u>1998</u> £
UK corporation tax based on the profit for the year at 30.37% (1998 - 31.0%)	76,741	197,798
Adjustment in respect of previous year	(293)	(81)
Deferred taxation credit	(1,500)	(5,000)
	<u>£74,948</u>	<u>£192,717</u>

5. TANGIBLE FIXED ASSETS

	<u>Property improve- ments</u> £	<u>Plant and equipment</u> £	<u>Fixtures and fittings</u> £	<u>Computer equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
COST						
At 1 June 1998	460,879	183,144	119,516	82,523	136,892	982,954
Additions	-	5,093	3,209	13,036	-	21,338
Disposals	-	-	-	(35,000)	(127,946)	(162,946)
	<u>460,879</u>	<u>188,237</u>	<u>122,725</u>	<u>60,559</u>	<u>8,946</u>	<u>841,346</u>
ACCUMULATED DEPRECIATION						
At 1 June 1998	101,503	125,880	73,950	66,961	30,415	398,709
Charge for the year	9,217	9,057	4,731	17,239	19,671	59,915
Disposals	-	-	-	(35,000)	(45,904)	(80,904)
	<u>110,720</u>	<u>134,937</u>	<u>78,681</u>	<u>49,200</u>	<u>4,182</u>	<u>377,720</u>
NET BOOK VALUE						
At 31 May 1999	<u>£350,159</u>	<u>£53,300</u>	<u>£44,044</u>	<u>£11,359</u>	<u>£4,764</u>	<u>£463,626</u>
At 31 May 1998	<u>£359,376</u>	<u>£57,264</u>	<u>£45,566</u>	<u>£15,562</u>	<u>£106,477</u>	<u>£584,245</u>

The property improvements relate to buildings erected on land owned by the parent company, Ian H Cameron Limited.

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. STOCKS

	<u>1999</u> £	<u>1998</u> £
New vehicles	200,332	158,055
Used vehicles	932,828	1,206,174
Parts	99,240	134,627
Paint, consumables and work in progress	11,549	16,264
Consignment vehicles	750,670	717,279
	<hr/> £1,994,619 <hr/>	<hr/> £2,232,399 <hr/>

7. DEBTORS

	<u>1999</u> £	<u>1998</u> £
Amounts falling due within one year:		
Trade debtors	371,363	214,420
Amounts owed by group undertakings	1,640,364	1,456,925
Prepayments and accrued income	114,214	138,288
	<hr/> £2,125,941 <hr/>	<hr/> £1,809,633 <hr/>

8. CREDITORS: amounts falling due within one year

	<u>1999</u> £	<u>1998</u> £
Trade creditors	210,280	493,684
Amounts owed to group undertakings	786,572	807,878
Corporation tax	76,367	197,717
Other taxes and social security	116,333	130,594
Directors' current accounts	159,541	408,435
Accruals	319,062	250,636
Consignment stock creditor	750,670	717,279
	<hr/> £2,418,825 <hr/>	<hr/> £3,006,223 <hr/>

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DEFERRED TAXATION

Full provision has been made at 30% (1998 - 31%) for the potential taxation arising in respect of:

	<u>1999</u> £	<u>1998</u> £
Capital allowances in advance of depreciation	£43,400 =====	£44,900 =====
Movement in provision during the year:		£
At 1 June 1998		44,900
Credit for the year		(1,500) -----
At 31 May 1999		£43,400 =====

10. CALLED UP SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
Ordinary shares of £1 each:		
Authorised, issued and fully paid	£20,000 =====	£20,000 =====

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u> £	<u>1998</u> £
Profit for the financial year	258,141	470,435
Opening shareholders' funds	2,723,709	2,253,274 -----
Closing shareholders' funds	£2,981,850 =====	£2,723,709 =====

12. PENSION COSTS

The company operates a defined contribution scheme. The assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £24,143 (1998 - £24,252). No amounts were payable at the year end.

13. PARENT COMPANY

The company is a wholly owned subsidiary of Ian H Cameron Limited, a company registered in Scotland.