

REGISTERED NUMBER:  
SC57921

CAMERON MOTORS (PERTH) LIMITED

FINANCIAL STATEMENTS

31 MAY 1998

Friend & Co., CHARTERED ACCOUNTANTS



CAMERON MOTORS (PERTH) LIMITED

FINANCIAL STATEMENTS

31 MAY 1998

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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 1998.

#### 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 associated with its Volkswagen and Audi franchises.

#### TRADING RESULTS AND REVIEW OF THE BUSINESS

The profit for the year after taxation was £470,435 (1997 - £305,682). 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)

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 20 October 1998.

Signed on behalf of the directors:

A handwritten signature in black ink, appearing to read 'I D Cameron', with a long horizontal flourish extending to the right.

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 1998 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

The Square  
6 Vine Terrace  
High Street  
Harborne  
Birmingham  
B17 9PU

20 October 1998

CAMERON MOTORS (PERTH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
TURNOVER	1	17,628,990	14,095,349
Cost of sales		16,052,136	12,814,466
GROSS PROFIT		1,576,854	1,280,883
Other income		(556,556)	(423,283)
Administrative expenses		1,501,442	1,278,944
OPERATING PROFIT		631,968	425,222
Interest receivable		(50,178)	(31,076)
Interest payable	2	18,994	4,306
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	663,152	451,992
Taxation	4	192,717	146,310
PROFIT FOR THE FINANCIAL YEAR	11	470,435	305,682
BALANCE BROUGHT FORWARD		2,233,274	1,927,592
BALANCE CARRIED FORWARD		<u>£2,703,709</u>	<u>£2,233,274</u>

None of the company's activities were 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 1998

	<u>Notes</u>	<u>£</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
<b>FIXED ASSETS</b>				
Tangible assets	5		584,245	569,357
<b>CURRENT ASSETS</b>				
Stocks held for resale	6	2,232,399		1,864,817
Debtors	7	1,809,633		1,658,555
Cash at bank and in hand		1,148,555		754,629
		<u>5,190,587</u>		<u>4,278,001</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>3,006,223</u>		<u>2,544,184</u>
<b>NET CURRENT ASSETS</b>			<u>2,184,364</u>	<u>1,733,817</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,768,609</u>	<u>2,303,174</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>				
Deferred taxation	9		44,900	49,900
			<u>£2,723,709</u>	<u>£2,253,274</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	10		20,000	20,000
Profit and loss account			2,703,709	2,233,274
<b>SHAREHOLDERS' FUNDS</b>	11		<u>£2,723,709</u>	<u>£2,253,274</u>

These financial statements were approved by the board of directors on 20 October 1998 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 1998

#### 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>1998</u> £	<u>1997</u> £
Depreciation of tangible fixed assets	72,097	66,269
Auditors' remuneration	8,500	8,000
Bank interest payable	-	230
Other interest payable	18,994	4,076
	<u>=====</u>	<u>=====</u>

### 3. DIRECTORS AND EMPLOYEES

Directors' remuneration

	<u>1998</u> £	<u>1997</u> £
Emoluments	253,928	220,524
Contributions to money purchase pension schemes	5,062	4,515
	<u>=====</u>	<u>=====</u>
	£258,990	£225,039

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

	<u>1998</u>	<u>1997</u>
Emoluments	£158,400	£130,000
	<u>=====</u>	<u>=====</u>

	<u>1998</u> Number	<u>1997</u> Number
During the year the following number of directors accrued benefits under a money purchase pension scheme	1	1
	<u>=====</u>	<u>=====</u>

	<u>1998</u> £	<u>1997</u> £
Staff costs comprise:		
Wages and salaries	1,045,332	861,062
Social security costs	94,810	82,721
Other pension costs	24,252	12,872
	<u>=====</u>	<u>=====</u>
	£1,164,394	£956,655

The average weekly number of employees (including directors) during the year was 60 (1997 - 54).

# CAMERON MOTORS (PERTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. TAXATION

	<u>1998</u> £	<u>1997</u> £
UK corporation tax based on the profit for the year at 31.0% (1997 - 32.7%)	197,798	150,338
Adjustment in respect of previous year	(81)	(35)
Deferred taxation credit	(5,000)	(3,993)
	<u>£192,717</u>	<u>£146,310</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> £
<b>COST</b>						
At 1 June 1997	460,879	174,395	119,516	82,523	77,784	915,097
Additions	-	8,749	-	-	112,362	121,111
Disposals	-	-	-	-	(53,254)	(53,254)
	<u>460,879</u>	<u>183,144</u>	<u>119,516</u>	<u>82,523</u>	<u>136,892</u>	<u>982,954</u>
<b>At 31 May 1998</b>						
	460,879	183,144	119,516	82,523	136,892	982,954
<b>ACCUMULATED DEPRECIATION</b>						
At 1 June 1997	92,285	116,552	68,887	46,330	21,686	345,740
Charge for the year	9,218	9,328	5,063	20,631	27,857	72,097
Disposals	-	-	-	-	(19,128)	(19,128)
	<u>101,503</u>	<u>125,880</u>	<u>73,950</u>	<u>66,961</u>	<u>30,415</u>	<u>398,709</u>
<b>At 31 May 1998</b>						
	101,503	125,880	73,950	66,961	30,415	398,709
<b>NET BOOK VALUE</b>						
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>
At 31 May 1997	<u>£368,594</u>	<u>£57,843</u>	<u>£50,629</u>	<u>£36,193</u>	<u>£56,098</u>	<u>£569,357</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>1998</u> £	<u>1997</u> £
New vehicles	158,055	252,186
Used vehicles	1,206,174	1,071,347
Parts	134,627	133,348
Oils and consumables	14,164	10,574
Work in progress	2,100	1,961
Consignment vehicles	717,279	395,401
	<hr/>	<hr/>
	<u>£2,232,399</u>	<u>£1,864,817</u>

7. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Amounts falling due within one year:		
Trade debtors	214,420	188,594
Amounts owed by group undertakings	1,456,925	1,395,624
Prepayments and accrued income	138,288	74,337
	<hr/>	<hr/>
	<u>£1,809,633</u>	<u>£1,658,555</u>

8. CREDITORS: amounts falling due within one year

	<u>1998</u> £	<u>1997</u> £
Trade creditors	493,684	484,903
Amounts owed to group undertakings	807,878	795,284
Corporation tax	197,717	150,338
Other taxes and social security	130,594	128,337
Directors' current accounts	408,435	365,710
Accruals	250,636	224,211
Consignment stock creditor	717,279	395,401
	<hr/>	<hr/>
	<u>£3,006,223</u>	<u>£2,544,184</u>

# CAMERON MOTORS (PERTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. DEFERRED TAXATION

Full provision has been made at 31% (1997 - 31%) for the potential taxation arising in respect of:

	<u>1998</u> £	<u>1997</u> £
Capital allowances in advance of depreciation	44,900	48,936
Other timing differences	-	964
	<u>£44,900</u>	<u>£49,900</u>
 Movement in provision during the year:		£
At 1 June 1997		49,900
Credit for the year		(5,000)
		<u>£44,900</u>
 At 31 May 1998		<u>£44,900</u>

### 10. CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
Ordinary shares of £1 each:		
Authorised, issued and fully paid	<u>£20,000</u>	<u>£20,000</u>

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u> £	<u>1997</u> £
Profit for the financial year	470,435	305,682
Opening shareholders' funds	2,253,274	1,947,592
	<u>£2,723,709</u>	<u>£2,253,274</u>
Closing shareholders' funds	<u>£2,723,709</u>	<u>£2,253,274</u>

### 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 £24,252 (1997 - £12,872). 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.