

**ALLIED VEHICLES LIMITED**

*Registered number: 147093*

**Directors' Report and Financial Statements**

**For the year ended 31 January 2004**



**ALLIED VEHICLES LIMITED**

**Financial Statements**

**For the year ended 31 January 2004**

<b>Contents</b>	<b>Page</b>
Company Information	1
Directors' Report	2
Independent Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7

**ALLIED VEHICLES LIMITED**

**Company Information**

**Directors**

G Facenna  
M A Facenna  
G C Gillies

**Secretary**

J Baxter

**Registered office**

230 Balmore Road  
Glasgow  
G22 6LJ

**Registered number**

147093

**Auditors**

Scott-Moncrieff  
Chartered Accountants  
Registered Auditor  
25 Bothwell Street  
Glasgow  
G2 6NL

**Principal banker**

Bank of Scotland  
701 Great Western Road  
Glasgow  
G12 8RB

# ALLIED VEHICLES LIMITED

## Report of the Directors

The directors present their report and the audited financial statements for the year ended 31 January 2004.

### Principal activity

The principal activity and core business of the company continued to be the sale and repair of motor vehicles and other ancillary vehicles.

### Review of business

The net profit after providing for taxation amounted to £298,332.

### Dividends

The directors do not recommend the payment of a dividend for the year.

### Acquisition of own shares

During the year the company bought back 20,001 ordinary shares with a nominal value of £1 each, which comprised 50% of the issued share capital. The total consideration for the buy back of shares was £600,030, paid in cash. Following the buy back of their shares C C Brown, L Brown and M Roe resigned as directors on 24 January 2004.

### Directors and their interests

The directors in office and their beneficial interests in the share capital of the company at the beginning of the year and balance sheet date were as follows:

#### Ordinary Shares of £1 each

	31 January 2004	1 February 2003
G Facenna	10,000	10,000
M A Facenna	10,000	10,000
G C Gillies	-	-
C C Brown	-	5,000
L Brown	-	5,000
M Roe	-	10,001

### 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:

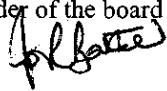
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

### Auditors

A resolution to re-appoint Scott-Moncrieff, Chartered Accountants, as auditors will be put to members at the annual general meeting.

By order of the board

  
J Baxter  
Secretary  
25 August 2004

## ALLIED VEHICLES LIMITED

### **Independent auditor's report to the shareholders of Allied Vehicles Limited**

We have audited the financial statements of Allied Vehicles Limited for the year ended 31 January 2004 set out on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Scott-Moncrieff

**Chartered Accountants**

**Registered Auditor**

**25 Bothwell Street**

**Glasgow**

**G2 6NL**

25 August 2004

# ALLIED VEHICLES LIMITED

## Profit and Loss Account

For the year ended 31 January 2004

	Note	2004 £	2003 £
<b>Turnover</b>		37,113,474	27,192,162
Cost of sales		28,941,364	21,293,422
<b>Gross profit</b>		8,172,110	5,898,740
Administrative expenses		7,909,763	5,597,541
Other operating income		262,347 144,467	301,199 58,844
<b>Operating profit</b>	2	406,814	360,043
Investment income		56,638	26,628
Interest payable and similar charges	5	(10,423)	(10,057)
<b>Profit on ordinary activities before taxation</b>		453,029	376,614
Taxation	6	154,697	118,694
<b>Profit on ordinary activities after taxation</b>	16	298,332	257,920

None of the company's activities were acquired or discontinued during the above two years.

There were no recognised gains and losses for the above two years other than those included in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

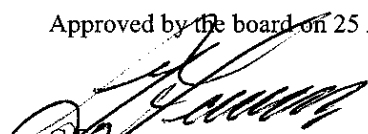
# ALLIED VEHICLES LIMITED

## Balance Sheet

At 31 January 2004

	Note	£	2004 £	£	2003 £
<b>Fixed assets</b>					
Tangible assets	8		1,078,564		937,340
Investments	9		1		1
			<u>1,078,565</u>		<u>937,341</u>
<b>Current assets</b>					
Stocks	10	1,997,374		1,005,234	
Debtors	11	2,201,831		1,564,039	
Cash at bank and in hand		1,046,903		421,726	
		<u>5,246,108</u>		<u>2,990,999</u>	
Creditors: amounts falling due within one year	12	(5,430,433)		(2,691,185)	
<b>Net current (liabilities)/assets</b>			<u>(184,325)</u>		<u>299,814</u>
<b>Total assets less current liabilities</b>			<u>894,240</u>		<u>1,237,155</u>
Creditors: amounts falling due after more than one year	13		(59,323)		(78,323)
Provisions for liabilities and charges	14		(326,418)		(348,635)
<b>Net assets</b>			<u><u>508,499</u></u>		<u><u>810,197</u></u>
<b>Capital and reserves - equity</b>					
Called up share capital	15		20,000		40,001
Other reserves	16		20,001		-
Profit and loss account	16		468,498		770,196
<b>Shareholders' funds</b>	17		<u><u>508,499</u></u>		<u><u>810,197</u></u>

Approved by the board on 25 August 2004

  
G. Pagnenna  
Director

The notes on pages 7 to 14 form part of these financial statements.

# ALLIED VEHICLES LIMITED

## Cash Flow Statement

For the year ended 31 January 2004

### Reconciliation of operating profit to operating cash flow

	2004	2003
£	£	£
Operating profit	406,814	360,043
Depreciation	234,797	163,806
Disposal of fixed assets	567	(2,141)
Change in stocks	(992,140)	48,029
Change in debtors	(637,792)	(522,684)
Change in creditors	2,665,411	(35,384)
Provisions	(28,500)	(86,100)
Operating cash flow	<u>1,649,157</u>	<u>(74,431)</u>

### Cash flow statement

Operating cash flow	1,649,157	(74,431)
---------------------	-----------	----------

### Returns on investment and servicing of finance

Interest received	56,638	26,628
Interest paid	(10,108)	(9,351)
Interest element of hire purchase contracts	<u>(315)</u>	<u>(706)</u>
Net cash flow from returns on investment and servicing of finance	46,215	16,571
Taxation	(89,921)	(136,154)

### Capital expenditure and financial investment

Purchase of tangible fixed assets	(378,716)	(399,434)
Sale of tangible fixed assets	<u>2,128</u>	<u>3,004</u>
Net cash flow from capital expenditure and financial investment	(376,588)	(396,430)
	<u>1,228,863</u>	<u>(590,444)</u>

### Financing

Loan repayments	(3,656)	(23,806)
Redemption of shares	<u>(600,030)</u>	<u>-</u>
Net cash flow from financing	(603,686)	(23,806)
Net cash flow for the year	<u>625,177</u>	<u>(614,250)</u>

The notes on pages 7 to 14 form part of these financial statements.



# **ALLIED VEHICLES LIMITED**

## **Notes to the Financial Statements**

**For the year ended 31 January 2004**

### **1 Accounting policies**

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention.

#### ***Consolidation***

The company and its subsidiary comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

#### ***Turnover***

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost less accumulated depreciation.

*Depreciation is provided to write off the cost of tangible fixed assets as follows:*

Freehold properties - 2-4% straight line  
Short leasehold properties - the life of the lease  
Plant and machinery - 15-20% reducing balance  
Motor vehicles - 25% reducing balance

#### ***Operating leases***

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

#### ***Deferred taxation***

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

#### ***Investments***

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in their value.

#### ***Pension costs***

The company operates two defined contribution pension schemes in respect of its employees. The assets of the schemes are held separately from those of the company. The pension cost charge represents the amount of the contributions payable to the schemes in respect of the year.

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 2 Operating profit

	2004 £	2003 £
Operating profit is stated after charging:		
Depreciation of tangible assets	234,797	163,806
Research and development	199,991	84,485
Operating lease charges	104,035	87,324
Auditors' remuneration - audit	14,000	11,000
and after charging/(crediting):		
Loss/(profit) on sale of tangible fixed assets	<u>567</u>	<u>(2,141)</u>

### 3 Directors' remuneration

	2004 £	2003 £
Directors' emoluments	958,207	451,883
Pension costs	<u>18,883</u>	<u>17,800</u>
	<u>977,090</u>	<u>469,683</u>

6 directors are members of defined contribution pension schemes.

The emoluments of the highest paid director were £392,228 (2003 : £151,745)

£6,000 (2003 : £6,000) was paid into the pension scheme of the highest paid director during the year.

### 4 Staff costs and numbers

Staff costs were as follows:

	2004 £	2003 £
Wages and salaries	4,981,797	3,367,086
Social security costs	512,229	328,141
Pension costs	<u>74,098</u>	<u>50,832</u>
	<u>5,568,124</u>	<u>3,746,059</u>

The average monthly number of employees was 223 (2003 172).

The staff of the company worked in the following activities:

Administration and management	134	118
Production	<u>89</u>	<u>54</u>
	<u>223</u>	<u>172</u>

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 5 Interest payable and similar charges

	2004 £	2003 £
Bank loans and overdrafts	10,108	9,351
Lease finance charges	315	706
	<u>10,423</u>	<u>10,057</u>

### 6 Taxation

	2004 £	2003 £
UK corporation tax - current year	151,344	92,851
UK corporation tax - adjustment to prior years	(2,930)	23,681
Deferred taxation	6,283	2,162
	<u>154,697</u>	<u>118,694</u>

The tax assessed for the year differs from the standard rate of tax as follows.

	2004 £	2003 £
Profit on ordinary activities before tax	<u>453,029</u>	<u>376,614</u>
Profit on ordinary activities at standard rate of tax 30% ( 2003 30%)	135,909	112,984
Expenses not deductible for tax purposes	32,186	11,615
Capital allowances in excess of depreciation	(14,511)	(1,133)
Other short term timing differences	3,945	(1,028)
Small companies' relief	(6,185)	(29,587)
	<u>151,344</u>	<u>92,851</u>

### 7 Pension costs

The pension cost charge for the year amounted to £74,098 (2003 £50,832).

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 February 2003	673,046	867,181	118,456	1,658,683
Additions	145,226	225,856	7,634	378,716
Disposals	-	-	(11,356)	(11,356)
At 31 January 2004	<u>818,272</u>	<u>1,093,037</u>	<u>114,734</u>	<u>2,026,043</u>
<b>Depreciation</b>				
At 1 February 2003	195,826	454,499	71,018	721,343
Charge for the year	101,168	120,535	13,094	234,797
Eliminated on disposal	-	-	(8,661)	(8,661)
At 31 January 2004	<u>296,994</u>	<u>575,034</u>	<u>75,451</u>	<u>947,479</u>
<b>Net book value</b>				
At 31 January 2004	<u>521,278</u>	<u>518,003</u>	<u>39,283</u>	<u>1,078,564</u>
At 31 January 2003	<u>477,220</u>	<u>412,682</u>	<u>47,438</u>	<u>937,340</u>

The net book value of land and buildings is split as follows:

	2004 £	2003 £
Freehold	398,240	424,779
Short leasehold	123,038	52,441
	<u>£521,278</u>	<u>£477,220</u>

### 9 Fixed asset investments

	2004 £	2003 £
Shares in group undertakings	<u>1</u>	<u>1</u>

The company owns 100% of the ordinary share capital of Ashfield Motors Limited, a dormant company with capital and reserves of £1 as at 31 January 2004.

### 10 Stocks

	2004 £	2003 £
Raw materials and consumables	406,801	154,347
Work in progress	92,485	55,877
Finished goods and goods for resale	1,498,088	795,010
	<u>1,997,374</u>	<u>1,005,234</u>

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 11 Debtors

	2004 £	2003 £
Trade debtors	1,706,994	1,065,713
Other debtors	342,743	374,707
Prepayments and accrued income	152,094	123,619
	<u>2,201,831</u>	<u>1,564,039</u>

### 12 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	73,398	58,054
Trade creditors	3,895,647	1,805,003
Corporation tax	151,344	92,851
Other taxation and social security	587,216	254,849
Other creditors	195,790	177,822
Accruals and deferred income	527,038	302,606
	<u>5,430,433</u>	<u>2,691,185</u>

### 13 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Bank loans	<u>59,323</u>	<u>78,323</u>
Amounts are due within the following periods:		
Between one and two years	19,000	19,000
Between two and five years	40,323	57,000
In five years or more	-	2,323
	<u>59,323</u>	<u>78,323</u>

Included within creditors is a bank loan of £78,323 (2003 £97,323) which has been secured by standard securities over certain of the company's properties and by a bond and floating charge over the whole assets of the company. The loan is repayable by monthly instalments.

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 14 Provisions for liabilities and charges

Total provisions for liabilities and charges:

	2004 £	2003 £
Deferred tax	28,218	21,935
Vehicle buy back provision	298,200	326,700
	<u>326,418</u>	<u>348,635</u>

Deferred tax provided in the accounts comprises:

	2004 £	2003 £
Accelerated capital allowances	32,163	21,935
Short term timing differences	(3,945)	-
	<u>28,218</u>	<u>21,935</u>

The movement in the deferred tax provision during the year was as follows:

	£
At 1 February 2003	21,935
Movement in the year	6,283
At 31 January 2004	<u>28,218</u>

The movement in the provision for vehicle buy back during the year was as follows:

	£
At 1 February 2003	326,700
Movement in the year	(28,500)
At 31 January 2004	<u>298,200</u>

### 15 Share capital

	2004 £	2003 £
Authorised		
Equity		
100,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
	2004 £	2003 £
Allotted, called up and fully paid		
Equity		
20,000 Ordinary Shares of £1 each	<u>20,000</u>	<u>40,001</u>

During the year the company bought back 20,001 ordinary shares with a nominal value of £1 each, which comprised 50% of the issued share capital. The total consideration for the buy back of shares was £600,030, paid in cash.

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 16 Reserves

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 February 2003	-	770,196	770,196
Transfer to capital redemption reserve	20,001	(20,001)	-
Premium on buy back of share capital	-	(580,029)	(580,029)
Transfer for the year	-	298,332	298,332
At 31 January 2004	<u>20,001</u>	<u>468,498</u>	<u>488,499</u>

### 17 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	298,332	257,920
Buy back of share capital	<u>(600,030)</u>	<u>-</u>
Net (reduction in)/addition to shareholders' funds	(301,698)	257,920
Opening shareholders' funds	<u>810,197</u>	<u>552,277</u>
Closing shareholders' funds	<u>508,499</u>	<u>810,197</u>

### 18 Reconciliation of net cash flow to movement in net funds

	2004 £	2003 £
Change in cash in the year	625,177	(614,250)
Change in debt financing	<u>3,656</u>	<u>23,806</u>
Movement in net funds in the period	628,833	(590,444)
Net funds brought forward	<u>285,349</u>	<u>875,793</u>
Net funds carried forward	<u>914,182</u>	<u>285,349</u>

### 19 Analysis of changes in net funds

	Brought forward £	Cash flow £	Other changes £	Carried forward £
Cash	421,726	625,177	-	1,046,903
Debt due within one year	(58,054)	3,656	(19,000)	(73,398)
Debt due after one year	<u>(78,323)</u>	<u>-</u>	<u>19,000</u>	<u>(59,323)</u>
	<u>285,349</u>	<u>628,833</u>	<u>-</u>	<u>914,182</u>

# ALLIED VEHICLES LIMITED

## Notes to the Financial Statements

For the year ended 31 January 2004

### 20 Operating lease commitments

The company has commitments under operating leases for the next year for leases expiring as follows:

	2004		2003	
	Land & buildings £	Other leases £	Land & buildings £	Other leases £
Within one year	-	100,343	1,690	96,246
Between two and five years	35,364	-	35,364	-
Over five years	84,000	-	44,000	-
	<u>119,364</u>	<u>100,343</u>	<u>81,054</u>	<u>96,246</u>

Other revenue commitments at the year end were as follows:

	2004 £	2003 £
Vehicle buy back commitment	<u>1,227,503</u>	<u>1,513,750</u>

### 21 Related parties

Mr G Facenna and Mr M A Facenna both directors of the company are shareholders of Dunbritton Properties Limited and trustees of the Facenna Family Trust.

During the year Dunbritton Properties Limited borrowed sums amounting to £nil (2003: £390,358) from the company. In addition the company paid £nil (2003: £29,207) for services on behalf of Dunbritton Properties Limited.

Dunbritton Properties Limited invoiced the company £83,013 (2003: £27,109) in respect of services rendered and the company invoiced £12,067 (2003: £9,409) in respect of services provided to Dunbritton Properties Limited.

The amount due by the company to Dunbritton Properties Limited as at 31 January 2004 is £13,938 (2003: £82,734 due to the company). Included in prepayments at the year end date is £9,667 of rental costs paid to Dunbritton Properties Limited.

Included in prepayments at the year end date is £30,000 of rental costs paid to the Facenna Family Trust, and accruals includes £10,950 of rent and pension costs payable to the Trust.

The company made loans to Mr G Facenna and Mr M A Facenna in the year. The maximum balances on the loan accounts during the year were £34,170 and £45,550 respectively; both loan accounts were paid off by the year end date.