

G. P. EVINSON LIMITED

(Company registered in England No. 123595) / 124.

Statement of Accounts

For the period from
1st January, 1978 to 31st March, 1979

GOTHARD & CO.,
Chartered Accountants,
BURTON-ON-TRENT.



REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Annual Report together with the audited Accounts for the fifteen months ended 31st March, 1979.

ACTIVITIES

The Company's principal activities consist of Garage Proprietors and Motor Dealers. The Agricultural Engineering division was transferred to Evinson Tractors Limited on 1st January, 1978.

FINANCIAL

The Directors recommend a final dividend of £20,000 be declared and that the balance of £101,795 on the Profit and Loss Account, be added to General Reserve.

EXPORTS

Exports of goods during the period amounted to £NIL. (1977 : £6,225)

FIXED ASSETS

Movements in fixed assets are shown in Note 11 to the Accounts.

LAND AND BUILDINGS

The Company's Freehold Land and Buildings are included in the Balance Sheet at the 1971 revaluation plus additions at cost. In the opinion of the Directors the market value of these is in excess of the book figure.

DIRECTORS

The following have held office during the period:

Sir Clifford Gothard O.B.E. : Resigned 19th December, 1978
R. T. Blackshaw (Chairman and Managing Director)
G. E. Orton : Resigned 19th December, 1978
Lady M. V. Gothard : Resigned 19th December, 1978
D. W. Bailey
P. F. Green : Appointed 19th December, 1978

DIRECTORS' INTERESTS

None of the Directors holds any shares in the Company. The interests of the Directors who are not also Directors of the Ultimate Holding Company, L.C.P. Holdings Limited, in the shares of that Company are as follows:

		31st March 1979	31st December 1977
R. T. Blackshaw	25p Ordinary	344,710	None
D. W. Bailey		None	None

AUDITORS

A resolution to re-appoint the auditors, Gothard & Co. will be proposed at the Annual General Meeting together with a resolution concerning their remuneration.

By Order of the Board

R. T. Blackshaw

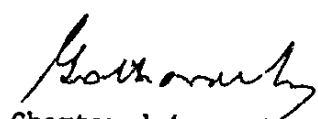
Chairman

19th July, 1979

REPORT OF THE AUDITORS TO THE MEMBERS OF
C. P. EVINSON LIMITED

We have examined the accounts set out on pages 3 to 10 which have been prepared under the historical cost convention including the valuation of certain fixed assets as disclosed in Note 11.

In our opinion, these Accounts give, under the accounting convention stated above, a true and fair view of the state of affairs of the company at 31st March, 1979 and of the profit and of the Source and application of funds for the period ended on that date, and comply with the Companies Acts, 1948 and 1967.


Chartered Accountants.

2/3, St. Paul's Square,
BURTON-ON-TRENT.



19th July, 1979

PROFIT AND LOSS ACCOUNT FOR THE
FIFTEEN MONTHS ENDED 31st MARCH, 1979

	<u>NOTE</u>	<u>1st January 1978 to 31st March, 1979</u>	<u>31st December 1977</u>
TURNOVER	1 (a)	<u>£ 5,570,728</u>	<u>£ 4,936,676</u>
Trading Profit	2	233,275	161,399
Interest	4	7,566	19,745
PROFIT BEFORE TAXATION		<u>225,709</u>	<u>141,654</u>
Taxation	5	103,914	(11,702)
PROFIT AFTER TAXATION		<u>121,795</u>	<u>153,356</u>
Less : Dividend	6	20,000	12,465
TRANSFER TO RESERVES	8	<u>£ 101,795</u>	<u>£ 140,891</u>

The notes on pages 5 to 9 form part of these accounts.

BALANCE SHEET : 31st MARCH, 1979

	<u>NOTE</u>	<u>31st March 1979</u>	<u>31st December 1977</u>
NET ASSETS EMPLOYED :			
FIXED ASSETS	11	249,330	265,411
CURRENT ASSETS:			
Stock	1 (b)	540,066	737,864
Deposits with Ford Motor Co. Ltd.		124,944	109,106
Debtors and Prepayments		192,638	175,043
Intra-group Current Accounts	12	325,941	144,519
Cash in Hand		559	659
Corporation Tax Recoverable		-	10,748
		<u>£ 1,184,148</u>	<u>£ 1,177,939</u>
CURRENT LIABILITIES:			
Creditors and Accruals		309,218	236,654
Loan from Ford Motor Credit Co. Ltd.	9	9,944	9,106
Bank Overdraft		261,030	437,998
Dividend Proposed		20,000	12,465
Corporation Tax payable		82,224	-
		<u>£ 682,416</u>	<u>£ 696,223</u>
NET CURRENT ASSETS		501,732	481,716
		<u>£ 751,062</u>	<u>£ 747,127</u>
FINANCED BY :			
SHARE CAPITAL	7	1,917	1,917
RESERVES	8	647,405	632,710
		649,322	634,627
LOANS	9	85,000	112,500
DEFERRED TAX	10	16,740	-
		<u>£ 751,062</u>	<u>£ 747,127</u>
 		Directors	

The notes on pages 5 to 9 form part of these accounts.

NOTES TO THE ACCOUNTS
FIFTEEN MONTHS ENDED 31st MARCH, 1979

1. ACCOUNTING POLICIES

The Accounting policies of this company are generally consistent with those adopted by all companies within the L.C.P. Holdings Group. The specific policies relevant to the Company are set out below:

a) Turnover

Turnover represents the amount receivable for goods and services excluding intra group transactions.

b) Stocks

Stocks have been consistently valued at the lower of cost and net realisable value.

c) Repairs and Renewals

Repairs and Renewals are charged to revenue in the year in which the expenditure is incurred.

d) Taxation

Deferred taxation is provided by the liability method on timing differences between tax allowances and related accounting treatments except where the amounts are not regarded as likely to become payable in the foreseeable future.

The comparative figures for 1977 have been adjusted to give effect to this change and the additional provision which would have been made for the period and at 31st March, 1979 on the previous basis are shown in Note 5.

No provision is made in respect of potential tax liabilities which might arise in the event of realisation of revalued properties.

e) Depreciation

In accordance with the policy of the L.C.P. Group, no provision for depreciation of freehold properties has been made, contrary to the requirements of SSAP 12.

Depreciation on other assets is calculated to reduce assets to their estimated residual values over their expected lives by annual instalments as follows:

Plant and Machinery	:	12½% per annum Straight Line
Motor Vehicles	:	26¾% and 33¾% per annum Straight Line according to type

2. TRADING PROFIT

Trading profit is stated after taking into account:

	<u>1979</u>	<u>1977</u>
Depreciation of Fixed Assets	11,981	13,799
Hire Purchase Interest	2,678	1,171
Auditors Remuneration	1,800	1,500
Directors emoluments:		
Fees	3,500	3,500
Other emoluments	54,050	36,760
Compensation for loss of office	<u>10,000</u>	<u>-</u>

NOTES TO THE ACCOUNTS

FIFTEEN MONTHS ENDED 31st MARCH, 1979
(continued)

3. DIRECTORS EMOLUMENTS (excluding pension scheme contributions)	<u>1979</u>	<u>1977</u>
Chairman to 19th December, 1978		
from 20th December, 1978	<u>£ 1,500</u>	<u>£ 1,500</u>
Highest paid director	<u>£ 5,727</u>	-
Other Directors' emoluments:	<u>£ 28,273</u>	<u>£ 21,189</u>
Up to £2,500		
£10,001 to £12,500	2	2
£12,501 to £15,000	-	1
Number of employees whose emoluments exceeded £10,001 but not £12,500	1	
	3	-
4. INTEREST PAYABLE	<u>1979</u>	<u>1977</u>
Loans wholly repayable within five years	5,644	(2,007)
Other interest	<u>12,664</u>	<u>11,449</u>
	18,308	9,442
Recharge to fellow subsidiaries	<u>16,868</u>	-
	1,440	9,442
Bank Overdraft	<u>6,126</u>	<u>10,303</u>
	<u>£ 7,566</u>	<u>£ 19,745</u>
5. TAXATION	<u>1979</u>	<u>1977</u>
Charged in the Profit and Loss Account:		
Corporation Tax @ 52%	82,224	-
Deferred Taxation	<u>21,690</u>	<u>(11,702)</u>
	<u>£ 103,914</u>	<u>£(11,702)</u>
No provision has been made for tax deferred by reason of stock appreciation relief. Had such a provision been made the tax charge for the year would have been increased by £9,067 (1977 : £112,159) and the cumulative provision at 31st March, 1979 would have amounted to £179,090.		
6. DIVIDENDS	<u>1979</u>	<u>1977</u>
Proposed Final	<u>£ 20,000</u>	<u>£ 12,465</u>

NOTES TO THE ACCOUNTS
 FIFTEEN MONTHS ENDED 31st MARCH, 1979
 (continued)

7. SHARE CAPITAL

	<u>1979</u>	<u>1977</u>
Authorised:		
2,000 Shares of £1 each	<u>£ 2,000</u>	<u>£ 2,000</u>
Issued and fully paid:		
1,917 Shares of £1 each	<u>£ 1,917</u>	<u>£ 1,917</u>

8. RESERVES

	<u>1979</u>		<u>1977</u>	
	<u>Capital</u>	<u>Revenue</u>	<u>Capital</u>	<u>Revenue</u>
At beginning of period	230,564	145,022	230,564	131,247
Prior year adjustment		-		(3,255)
Deferred taxation no longer required		257,124		133,263
At beginning of period - restated	230,564	402,146	230,564	261,255
Retained earnings for the period		101,795		140,891
Deferred Taxation : Evinson Tractors Limited		(87,100)		-
At end of period	<u>£ 230,564</u>	<u>£ 416,841</u>	<u>£ 230,564</u>	<u>£ 402,146</u>
Total Reserves at 31st March, 1979		<u>£ 647,405</u>		<u>£ 632,710</u>

9. LOANS

Secured

Interest at variable rates, not repayable wholly within five years

1979 1977
 85,000 97,500

Unsecured

Interest at 0% not repayable wholly within five years

- 15,000

£ 85,000 £ 112,500

Secured

(Ford Motor Credit Co. Ltd.)

Interest at variable rates repayable wholly within five years

£ 9,944 £ 9,106

NOTES TO THE ACCOUNTS
 FIFTEEN MONTHS ENDED 31st MARCH, 1979
 (continued)

10. DEFERRED TAXATION

	<u>1979</u>	<u>1977</u>
Deferments due to accelerated capital allowances	20,393	22,147
Other timing differences	(3,653)	(22,147)
	<u>£ 16,740</u>	<u>£ -</u>

11. FIXED ASSETS

	Freehold Land and Buildings	Plant Machinery Vehicles and Equipment	<u>TOTAL</u>
Cost or Valuation:			
At 31st December, 1977	208,080	144,381	352,461
Transferred to Evinson Tractors Limited		(27,333)	(27,333)
Additions		18,105	18,105
Disposals		(8,120)	(8,120)
At 31st March, 1979	<u>£ 208,080</u>	<u>£ 127,033</u>	<u>£ 335,113</u>
Provisions for Depreciation:			
At 31st December, 1977		87,050	87,050
Transferred to Evinson Tractors Limited		(9,920)	(9,920)
Disposals		(3,328)	(3,328)
Charge for period		11,981	11,981
At 31st March, 1979		<u>£ 85,783</u>	<u>£ 85,783</u>
Net book value:			
At 31st March, 1979	<u>£ 208,080</u>	<u>£ 41,250</u>	<u>£ 249,330</u>
At 31st December, 1977	<u>£ 208,080</u>	<u>£ 57,331</u>	<u>£ 265,411</u>
Cost or valuation of properties comprises:			
Valuation 1971	200,000		
Cost of subsequent additions	8,080		
	<u>£ 208,080</u>		

12. INTRA GROUP CURRENT ACCOUNTS

	<u>1979</u>	<u>1977</u>
Due from fellow subsidiaries	735,035	181,798
Due to fellow subsidiaries	548,372	161,130
	<u>186,663</u>	<u>20,668</u>
Due from parent company	139,278	123,851
	<u>£ 325,941</u>	<u>£ 144,519</u>

NOTES TO THE ACCOUNTSFIFTEEN MONTHS ENDED 31st MARCH, 1979(continued)

13. FUTURE CAPITAL EXPENDITURE

Contracted for but not provided
in the accounts19791977£ NIL£ NILAuthorised by the directors but
not contracted for£ 40,000£ NIL

14. CONTINGENT LIABILITIES

The Company has entered into charges on certain of its assets and joint and several cross guarantees with fellow subsidiaries to secure loans made to Blackton Garage Limited and East Midlands Truck Centre Limited (fellow subsidiaries) by Ford Motor Credit Company Limited.

15. HOLDING COMPANY

The ultimate holding company is L.C.P. Holdings Limited, a company incorporated in the United Kingdom and registered in England.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE FIFTEEN MONTHS ENDED 31st MARCH, 1979

	1st January 1978 to 31st March, 1979	31st December 1977
<u>SOURCE OF FUNDS</u>		
Funds from trading operations:		
Trading profit before taxation	225,709	141,654
Adjustments for items not involving the movement of funds:		
Depreciation	11,981	13,799
Funds from non-trading operations:		
Proceeds from disposal of fixed assets	4,793	1,075
Fixed Assets transferred to Evinson Tractors Limited	17,413	-
	<hr/>	<hr/>
	£ 259,896	£ 156,528
	<hr/>	<hr/>
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	18,105	42,612
Net decrease in loans	27,500	13,000
Dividend paid	12,465	14,778
Liabilities transferred to Evinson Tractors Limited	81,303	-
Increase in working capital:		
Increase/(Decrease) in stock	(197,798)	259,031
Increase/(Decrease) in Bulk Deposits with Ford Motor Company Limited	15,838	(44,611)
Increase/(Decrease) in debtors	17,595	46,656
Increase/(Decrease) in Inter-company accounts	181,422	(19,216)
(Increase)/Decrease in creditors	(72,564)	(20,673)
(Increase)/Decrease in loan from Ford Motor Credit Company Limited	(838)	24,611
Increase/(Decrease) in liquid funds:		
Bank balances and cash	176,868	(159,660)
	<hr/>	<hr/>
	120,523	86,138
	<hr/>	<hr/>
	£ 259,896	£ 156,528
	<hr/>	<hr/>