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C P EVINSON LIMITED

(Registered in England - number 123595)

ACCOUNTS

31 MARCH 1980



REPORT OF THE DIRECTORS

The directors submit their annual report together with the audited accounts of the company for the year ended 31 March 1980.

Principal activities

The principal activities of the company are the sale and servicing of motor vehicles.

Financial

During the year an interim dividend of £38,000 was paid. The directors recommend that a final dividend of £31,000 be declared and that the balance of £148,056 on the profit and loss account, shown in note 9 to the accounts, be carried forward to next year.

Exports

The total value of goods exported by the company during the year was £ Nil.

Fixed assets

Significant changes in fixed assets are set out in note 11 to the accounts.

Directors

The following have held office during the year:

R T Blackshaw
D W Bailey
P F Green
R J Reynolds - appointed 1 January 1980

Directors' interests

None of the directors has any interest in the shares of this company or fellow subsidiary companies. The interests of the directors who are also directors of LCP Holdings Limited are disclosed in the directors' report of that company. The interests of directors who are not also directors of LCP Holdings Limited in the shares of that company are as follows:-

	<u>Ordinary shares of 25p each</u>	
	<u>1980</u>	<u>1979</u>
R T Blackshaw	517,065	344,710
D W Bailey	31	21
R J Reynolds	Nil	*Nil

* At date of appointment.

C P EVINSON LIMITED

REPORT OF THE DIRECTORS (continued)

Auditors

Gothard & Co resigned as auditors during the year and Thomson McLintock & Co were appointed in their stead. A resolution to re-appoint the auditors, Thomson McLintock & Co, will be proposed at the annual general meeting together with a resolution concerning their remuneration.

By order of the Board

E A JONES

Secretary

9 Chesterfield Road South
Mansfield

16 June 1980

C P EVINSON LIMITED

AUDITORS' REPORT TO THE MEMBERS

BIRMINGHAM. 16 June 1980. We have audited the accounting records of C P Evinson Limited for the year ended 31 March 1980. The accounts on pages 4 to 10, which have been drawn up under the historical cost convention modified by the revaluation of certain assets, have been properly prepared in accordance with the provisions of the Companies Acts 1948 and 1967.

The accounts do not include a statement of source and application of funds as required by SSAP 10.

In our opinion these accounts give, under the above convention, a true and fair view of the state of affairs and profit of the company.

THOMSON McLINTOCK & CO
Chartered Accountants

C P EVINSON LIMITEDFOR THE YEAR ENDED 31 MARCH 1980PROFIT AND LOSS ACCOUNT

	<u>Notes</u>		<u>1979</u>
	1(a)		(Note 2)
Turnover			
External		<u>£6,830,575</u>	<u>£5,570,728</u>
Trading profit	3	£ 339,735	£ 233,275
Interest	5	<u>14,558</u>	<u>7,566</u>
Profit before taxation		325,177	225,709
Taxation	6	<u>146,650</u>	<u>103,914</u>
Profit after taxation		178,527	121,795
<u>Less: Dividends</u>	7	<u>69,000</u>	<u>20,000</u>
Transfer to reserves	9	<u>£ 109,527</u>	<u>£ 101,795</u>

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

C P EVINSON LIMITED

31 MARCH 1980

BALANCE SHEET

	<u>Notes</u>		<u>1979</u>
CAPITAL AND RESERVES			
Issued capital	8	£ 1,917	£ 1,917
Reserves	9	756,931	647,405
		<u>758,848</u>	<u>649,322</u>
Loan (secured)		-	85,000
Deferred and future taxation	10	163,390	16,740
		<u>£922,238</u>	<u>£ 751,062</u>
Represented by:			
FIXED ASSETS	11	£282,190	£ 249,330
ADVANCE CORPORATION TAX RECOVERABLE		11,000	11,000
CURRENT ASSETS			
Stock	12	£ 639,572	540,066
Stock deposits		255,455	124,944
Debtors	13	461,073	518,579
Bank and cash balances		539	559
		<u>1,356,639</u>	<u>1,184,148</u>
Less: CURRENT LIABILITIES			
Creditors	14	327,181	319,162
Bank overdraft		276,186	261,030
Taxation		93,224	93,224
Proposed dividend		31,000	20,000
		<u>727,591</u>	<u>693,416</u>
NET CURRENT ASSETS		629,048	490,732
R T BLACKSHAW	Director	<i>R.T. Blackshaw</i>	
D W BAILEY	Director	<i>D.W. Bailey</i>	
		<u>£922,238</u>	<u>£ 751,062</u>

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

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The accounting policies of this company are generally consistent with those adopted by all companies within the LCP Holdings Group. The specific policies relevant to the company are set out below:

(a) Turnover

Turnover represents the amount receivable for goods sold and services provided including intra group transactions.

(b) Stocks and work in progress

Stocks are 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) Deferred taxation

Deferred taxation has been provided at 52% on accelerated capital allowances on fixed assets and sundry short term timing differences. Deferred taxation has not been provided on stock appreciation relief because, on a Group basis, there is a reasonable probability that this tax reduction will continue for the foreseeable future.

No provision has been made for the contingent liability to Corporation Tax which may arise in the event of a disposal of the company's properties at the amount of the revaluation included in the fixed assets.

(e) Depreciation

In accordance with the policy of the LCP Group, no provision for depreciation of freehold properties has been made contrary to the requirement of SSAP 12. Depreciation on other assets is calculated to reduce assets to their estimated residual value over their expected lives by equal instalments as follows:-

Plant and equipment	12½%
Motor vehicles	26 2/3% 33 1/3%

2 COMPARATIVE FIGURES

The comparative figures cover the fifteen month period to 31 March 1979.

NOTES TO THE ACCOUNTS (continued)

3 TRADING PROFIT

Trading profit is stated after taking into account:

	<u>1980</u>	<u>1979</u>
Depreciation of fixed assets	£10,968	£11,981
Plant hire	124	-
Auditors' remuneration	5,300	1,800
Directors' emoluments	-	3,500
Fees	48,659	54,050
Other emoluments	-	10,000
Compensation for loss of office	-	-
	<u>£146,650</u>	<u>£146,650</u>

4 DIRECTORS' EMOLUMENTS

Directors' emoluments (excluding pension scheme contributions):

	<u>1980</u>	<u>1979</u>
Chairman	<u>£20,477</u>	<u>£ 7,227</u>
Highest paid director	<u>Chairman</u>	<u>£28,273</u>
Other directors' emoluments were in the range:		
Up to £5,000	<u>2</u>	<u>2</u>
£10,001 to £15,000	<u>1</u>	<u>1</u>

5 INTEREST

	<u>1980</u>	<u>1979</u>
Bank interest payable	£28,423	£ 6,126
Sundry interest (receivable)	(13,865)	(4,204)
On loans wholly repayable within five years	-	5,644
	<u>£14,558</u>	<u>£ 7,566</u>

6 TAXATION

(a) Charged in the profit and loss account:

	<u>1980</u>	<u>1979</u>
Corporation tax on the adjusted result for the year calculated at 52% (1979 : 52%)	£145,000	£ 82,224
Transfer from/(to) deferred taxation account	3,000	21,690
Prior year adjustments	(1,350)	-
	<u>£146,650</u>	<u>£103,914</u>

31 MARCH 1980

NOTES TO THE ACCOUNTS (continued)

6 TAXATION (continued)

- (b) If a provision had been made for deferred taxation on stock appreciation relief the tax charge would have been increased by £23,248 (1979 : £9,067).

7 DIVIDENDS

	<u>1980</u>	<u>1979</u>
Interim paid	£38,000	£ -
Proposed final	31,000	20,000
	<u>£69,000</u>	<u>£20,000</u>

8 SHARE CAPITAL

	<u>1980</u>	<u>1979</u>
Authorised		
Ordinary shares of £1 each	£ 2,000	£ 2,000
	<u>£ 1,917</u>	<u>£ 1,917</u>

9 RESERVES

	<u>Other reserves</u>	<u>Profit and loss account</u>	<u>Total</u>
At 31 March 1979	£608,875	£ 38,529	£647,404
Profit for the year	-	109,527	109,527
At 31 March 1980	<u>£608,875</u>	<u>£148,056</u>	<u>£756,931</u>

10 DEFERRED AND FUTURE TAXATION

	<u>1980</u>	<u>1979</u>
Deferred taxation	£ 18,390	£16,740
Corporation tax payable 1 April 1981	145,000	-
	<u>£163,390</u>	<u>£16,740</u>

Including provision actually made the potential amount of deferred taxation calculated on the liability method at the rate for the year of 52% is:-

NOTES TO THE ACCOUNTS (continued)

10 DEFERRED AND FUTURE TAXATION (continued)

	<u>1980</u>	<u>1979</u>
Deferments due to accelerated capital allowances	£ 22,903	£ 20,393
Stock appreciation relief	166,313	179,090
Other timing differences	(4,513)	(3,653)
Maximum capital gains tax contingent on the realisation of properties at the amounts shown in these accounts	20,000	20,000
	<u>£204,703</u>	<u>£215,830</u>

The above figures reflect the benefit from stock appreciation relief made permanent by the provisions of the Finance (No 2) Act 1979 amounting to £36,025.

11 FIXED ASSETS

	<u>Freehold land and buildings</u>	<u>Plant machinery vehicles and equipment</u>	<u>Total</u>
Cost or valuation			
At 31 March 1979	£208,080	£127,033	£335,113
Additions	28,738	15,351	44,089
Disposals	-	(350)	(350)
At 31 March 1980	<u>236,818</u>	<u>142,034</u>	<u>378,852</u>
Provisions for depreciation			
At 31 March 1979	-	85,783	85,783
Disposals	-	(89)	(89)
Charge for year	-	10,968	10,968
At 31 March 1980	<u>-</u>	<u>96,662</u>	<u>96,662</u>
Net book values			
At 31 March 1980	<u>£236,818</u>	<u>£ 45,372</u>	<u>£282,190</u>
At 31 March 1979	<u>£208,080</u>	<u>£ 41,250</u>	<u>£249,330</u>
Analysis of cost or valuation			
Valuation 1971	£200,000	£ -	£200,000
Cost	36,818	45,372	82,190
	<u>£236,818</u>	<u>£ 45,372</u>	<u>£282,190</u>

C P EVINSON LIMITED

31 MARCH 1980

NOTES TO THE ACCOUNTS (continued)

12 STOCKS	<u>1980</u>	<u>1979</u>
Goods for resale	<u>£639,572</u>	<u>£540,066</u>

13 DEBTORS	<u>1980</u>	<u>1979</u>
Intra group	£172,217	£325,941
External	288,856	192,638
	<u>£461,073</u>	<u>£518,579</u>

14 CREDITORS	<u>1980</u>	<u>1979</u>
Intra group	£ 6,054	£ -
External	321,127	261,030
	<u>£327,181</u>	<u>£261,030</u>

15 FUTURE CAPITAL EXPENDITURE	<u>1980</u>	<u>1979</u>
Contracted for but not provided in the accounts	<u>£ Nil</u>	<u>£ Nil</u>
Authorised by the directors but not contracted for	<u>£ Nil</u>	<u>£ Nil</u>

16 CONTINGENT LIABILITIES

The company has given an unlimited guarantee in respect of the borrowings by any member of the LCP Holdings group of companies from the National Westminster Bank Limited.

17 HOLDING COMPANY

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