

123595 / 140

C P EVINSON LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

31 DECEMBER 1983



DIRECTORS' REPORT

The directors have pleasure in submitting their report and financial statements for the period ended 31 December 1983.

Activities

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

The directors do not envisage initiating any material departure from these activities in the foreseeable future.

Financial

The directors recommend that a final dividend of £88,055 be declared and that the retained profit for the period of £56,729 be appropriated to reserves.

Fixed assets

Information relating to changes in tangible fixed assets is given in note 7 to the financial statements.

Directors

The directors during the period are as follows:

R T Blackshaw	- Chairman
D W Bailey	
R J Reynolds	
P F Green	

DIRECTORS' REPORTDirectors (continued)

The directors who held office at the end of the financial period had the following interests in the shares of the ultimate parent company

		<u>At end of period</u>	<u>At beginning of period or date of appointment</u>
a)	LCP Holdings plc		
	Ordinary shares		
	Mr D W Bailey	38	38
	Mr R J Reynolds	600	600
b)	Options outstanding under the executive share option scheme to acquire LCP Holdings plc ordinary shares		
	Subscription price	62p 55p	62p 55p
	Mr D W Bailey	20,300 40,000	40,300 40,000

Thomson McLintock & Co

The interests of Mr P F Green and Mr R T Blackshaw are disclosed in the directors' report of the divisional holding company.

Employees

It is the policy of the group to develop the potential of employees for advancement, and most senior vacancies are filled by internal promotion.

Policy of the employment of disabled persons

Suitable procedures are in operation to support the Evans Halshaw Group Limited policy that disabled persons (whether registered or not) shall be considered for employment, subsequent training, career development and promotion on the basis of their aptitudes and abilities.

DIRECTORS' REPORT

Auditors

The auditors, Thomson McLintock & Co, are willing to continue in office and a resolution concerning their reappointment and remuneration will be submitted to the annual general meeting.

By order of the Board

L J STEVENS

Secretary

14 June 1984

Thomson McLintock & Co

We have audited the financial statements on pages 5 to 15 in accordance with approved auditing standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings, give a true and fair view of the state of the company's affairs at 31 December 1983 and of its profit for the period then ended and comply with the Companies Acts 1948 to 1981.

The financial statements do not specify the manner in which the operations of the company have been financed or in which its financial resources have been used during the period as required by Statement of Standard Accounting Practice No 10.

Thomson McLintock & Co

THOMSON McLINTOCK & CO

Chartered Accountants

Manchester

14 June 1984

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings, and in accordance with s149 of, and Schedule 8 to, the Companies Act 1948.

The effects of events relating to the period ended 31 December 1983 which occurred before 14 June 1984, the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 1983 and of the results for the period ended on that date.

Depreciation

Depreciation is provided by the company to write off the cost or valuation of fixed tangible assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years
Plant, machinery and equipment	-	12.5%
Vehicles	-	33.3%

No depreciation is provided on freehold land.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Provision for deferred taxation is only made when there is a reasonable probability that a liability will arise in the foreseeable future.

Pension Costs

The LCP group operates pension schemes covering the majority of the Evans Halshaw group permanent employees. The schemes' funds are administered by trustees and are independent of the group's finances.

The amounts charged against profits are based on independent actuarial advice in accordance with local practice and represent a proper charge to cover the accruing liabilities on a continuing basis. The schemes are subject to actuarial valuations at periodic intervals, and the latest valuation indicated that the schemes were adequately funded.

Repairs and renewals

Repairs and renewals are charged to revenue in the period in which expenditure is incurred.


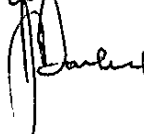
PROFIT AND LOSS ACCOUNTFor the nine months ended 31 December 1983

	Notes	1983		Year ended 31 March 1983	
		£	£	£	£
Turnover	1		5,969,625		8,277,658
Cost of sales			<u>(5,324,432)</u>		<u>(7,262,043)</u>
Gross profit			645,193		1,015,615
Distribution costs		(323,331)		(500,954)	
Administrative expenses	1	<u>(252,006)</u>		<u>(333,310)</u>	
			<u>(575,337)</u>		<u>(834,264)</u>
Trading profit	1 - 3		69,856		181,351
Other interest receivable	4		<u>8,255</u>		<u>38,270</u>
Profit on ordinary activities before taxation			78,111		219,621
Tax on profit on ordinary activities	5		<u>66,673</u>		<u>(108,765)</u>
Profit on ordinary activities after taxation			144,784		110,856
Appropriations:					
Dividends proposed	6		<u>(88,055)</u>		<u>(275,000)</u>
Retained profit for the period	13		<u>56,729</u>		<u>(164,144)</u>

BALANCE SHEETAs at 31 December 1983

Thomson McLinlock & Co

	Notes	1983		31 March 1983	
		£	£	£	£
FIXED ASSETS					
Tangible asset	7		296,954		270,291
CURRENT ASSETS					
Stocks	8	797,481		911,324	
Debtors	9	706,331		827,821	
Cash at bank and in hand		800		198,542	
		1,504,612		1,937,687	
CREDITORS: Amounts falling due within one year	10	(926,169)		(1,307,120)	
NET CURRENT ASSETS			578,443		630,567
TOTAL ASSETS LESS CURRENT LIABILITIES			875,397		900,858
CREDITORS: Amounts falling due after more than one year	10		(15,401)		(107,064)
PROVISIONS FOR LIABILITIES AND CHARGES	11		(15,441)		(5,968)
			844,555		787,826
CAPITAL AND RESERVES					
Called up share capital	12		1,917		1,917
Other reserves	13		230,565		230,565
Profit and loss account	13		612,073		555,344
			844,555		787,826

 R T Blackshaw Director
 D W Bailey Director

NOTES(forming part of the financial statements)

1 TRADING PROFIT

	31 December 1983	31 March 1983
	£	£
<u>Turnover</u>		
Intra division	8,238	373
External	<u>5,961,387</u>	<u>8,277,285</u>
	<u>5,969,625</u>	<u>8,277,658</u>
 <u>Administrative expenses</u>		
Intra division	(36,474)	(40,000)
External	<u>(215,532)</u>	<u>(293,310)</u>
	<u>(252,006)</u>	<u>(333,310)</u>
 Trading profit is stated after charging:	 31 December 1983	 31 March 1983
	£	£
Depreciation of fixed tangible assets	12,716	18,078
Hire of plant and machinery	385	465
Auditors' remuneration (including expenses)	<u>6,050</u>	<u>5,178</u>

NOTES (continued)

2 STAFF COSTS (including directors)

	31 December 1983	31 March 1983
<u>Average number of employees:</u>	93	93

Employee costs:

	31 December 1983 £	31 March 1983 £
Wages and salaries	405,877	527,148
Social security costs	35,274	45,612
Pension and life assurance costs	38,090	49,147
	<u>479,241</u>	<u>621,907</u>

3 DIRECTORS' EMOLUMENTS

	31 December 1983 £	31 March 1983 £
<u>Directors' emoluments:</u>		
Emoluments (including pension contributions)	51,209	62,565

The emoluments, excluding pension contributions, of the chairman and highest paid director amounted to £22,924 (31 March 1983 - £27,459).

The number of other directors whose emoluments, excluding pension contributions, fell in each £5,000 bracket was as follows:

	31 December 1983	31 March 1983
£ 0 - £ 5,000	2	2
£10,001 - £15,000	1	-
£15,001 - £20,000	-	1

NOTES (continued)

4 OTHER INTEREST RECEIVABLE

	31 December 1983	31 March 1983
	£	£
Income from bank balances	8,255	38,270

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	31 December 1983	31 March 1983
	£	£
UK corporation tax at 50% on the profits of the period	(15,400)	(107,064)
Transfer to deferred tax	(7,085)	2,460
Losses surrendered by group companies	88,053	-
Advance corporation tax written off	-	(4,161)
Prior year's adjustment	1,105	-
	66,673	(108,765)

This period's corporation tax liability was reduced by £20,273 (31 March 1983 - £10,910) as a result of stock relief.

The prior year deferred tax charge has been included in the prior year's adjustment above.

The taxation charge includes full provision for deferred taxation.

6 DIVIDENDS

	31 December 1983	31 March 1983
	£	£
Ordinary shares - final proposed	(88,055)	(275,000)

NOTES (continued)

7 FIXED TANGIBLE ASSETS

	Land and buildings £	Plant, Machinery Vehicles and Equipment £	Total £
<u>Cost or valuation</u>			
At beginning of period	236,818	171,773	408,591
Additions	27,810	13,299	41,109
Disposals		(9,156)	(9,156)
At end of period	264,628	175,916	440,544
<u>Depreciation</u>			
At beginning of period	(2,520)	(135,780)	(138,300)
Charge for period	(2,305)	(10,411)	(12,716)
Disposals		7,426	7,426
At end of period	(4,825)	(138,765)	(143,590)
<u>Net book value</u>			
At 31 December 1983	259,803	37,151	296,954
At 31 March 1983	234,298	35,993	270,291

The net book value of land and buildings comprises:

	31 December 1983 £	31 March 1983 £
Freehold	259,803	234,298

Details of revalued assets are given below:

	31 December 1983 £	31 March 1983 £
<u>Land and buildings</u>		
At 1971 open market value	200,000	200,000
Aggregate depreciation thereon	(3,647)	(2,128)
Net book value	196,353	197,872
Historical cost of revalued assets	135,185	135,185
Aggregate depreciation based on historical cost	(2,465)	(1,438)
Historical cost net book value	132,720	133,747
Potential tax liability if sold at revalued amounts	(20,000)	(20,000)

NOTES (continued)

8 STOCKS

	31 December 1983	31 March 1983
	£	£
Vehicles	616,087	737,712
Parts and other stocks	<u>181,394</u>	<u>173,612</u>
	<u>797,481</u>	<u>911,324</u>

The estimated replacement costs exceed the above values by the following amounts:

	31 December 1983	31 March 1983
	£	£
Parts and other stocks	<u>8,212</u>	<u>7,921</u>

9 DEBTORS

	31 December 1983			31 March 1983		
	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
	£	£	£	£	£	£
Trade Debtors	184,263		184,263	233,110		233,110
Amounts owed by divisional companies	42,939	128,845	171,784	130,661	128,845	259,506
Amounts owed by group companies	150		150	150		150
VAT	14,468		14,468	9,986		9,986
Prepayments and accrued income	18,121		18,121	19,602		19,602
Deposits with vehicle manufacturers	<u>317,545</u>		<u>317,545</u>	<u>305,467</u>		<u>305,467</u>
	<u>577,486</u>	<u>128,845</u>	<u>706,331</u>	<u>698,976</u>	<u>128,845</u>	<u>827,821</u>

NOTES (continued)

10 CREDITORS

	31 December 1983		31 March 1983	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Bank loans and overdrafts	(44,739)			
Payments received on account	(163,262)		(145,070)	
Trade creditors	(357,263)		(619,174)	
Amounts owed to divisional companies	(34,306)		(40,319)	
Amounts owed to group companies	(1,579)		(1,377)	
PAYE and NHI	(27,502)		(28,263)	
Pensions	(6,840)		(6,200)	
Taxation	(103,571)	(15,401)	(88,053)	(107,064)
Proposed dividend	(88,055)		(275,000)	
Accruals and deferred income	(99,052)		(103,664)	
	<u>(926,169)</u>	<u>(15,401)</u>	<u>(1,307,120)</u>	<u>(107,064)</u>
<u>Analysis</u>				
Repayable within five years		(15,401)		(107,064)

NOTES (continued)

11 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax

	Accelerated capital allowances	Other timing differences	Total
	£	£	£
At beginning of period	(11,227)	5,259	(5,968)
Provided during period (note 5)	(1,119)	(8,354)	(9,473)
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At end of period	(12,346)	(3,095)	(15,441)
	<hr/>	<hr/>	<hr/>

12 CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
	31 December 1983	31 March 1983	31 December 1983	31 March 1983	31 December 1983	31 March 1983
	£	£	No	£	No	£
Ordinary shares of £1 each	2,000	2,000	1,917	1,917	1,917	1,917
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

13 RESERVES

	Other reserves	Profit and loss account
	£	£
At beginning of period	230,565	555,344
Transfer from profit and loss account	-	56,729
At end of period	230,565	612,073
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The distributable profits of the company are £612,073 (31 March 1983 - £555,344).

14 GUARANTEES

The company has given an unlimited guarantee in respect of bank borrowings by other members of the LCP Holdings plc group of companies which at 31 December 1983 amounted to £36,682,235 (31 March 1983 - £32,317,384).

NOTES (continued)

15 CAPITAL COMMITMENTS

	31 December 1983 £	31 March 1983 £
Contracted for but not provided	<u>Nil</u>	<u>Nil</u>
Authorised but not contracted for	<u>Nil</u>	<u>25,000</u>

16 HOLDING COMPANY

The divisional holding company is Evans Halshaw Group Limited, a company incorporated in the United Kingdom and registered in England.

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