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AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

COMPANY NUMBER: 294988

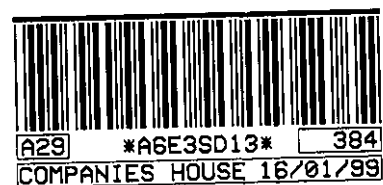
REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1998

Handwritten signature and date
19/03/98

NEWTON, MAGNUS & COMPANY
ACCOUNTANTS

**Arrowsmith Court
Station Approach
Broadstone
Dorset BH18 8AT**



AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1998

| CONTENTS | PAGE |
|---|-------------|
| Directors Report | 1 |
| Report of the Accountants | 2 |
| Profit and Loss Account | 3 |
| Statement of Recognised Gains and Losses | 4 |
| Balance Sheet | 5 to 7 |
| Notes to the Accounts | 8 to 15 |
| Detailed Operating Statement | 16 |
| Notes to the Detailed Operating Statement | 17 |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

DIRECTORS REPORT

Directors: Mr D J C Bowles
Mrs F W Bowles
Mrs J I Bowles
Miss J V Bowles

Secretary: Mrs J I Bowles

Registered Office: 34 Blake Hill Crescent, Parkstone, Poole, Dorset BH14 8QR

The Directors present their annual report and financial statements for the year ended 31st March 1998.

ACTIVITIES

The Company's two principal activities during the year were that of the sale, repair and servicing of motor vehicles and property letting.

DIRECTORS

The Directors who have served during the year under review, together with their interest in the capital of the Company, were as follows

| | <u>£1 Ordinary Shares</u> | |
|-----------------|---------------------------|-------------|
| | <u>1998</u> | <u>1997</u> |
| Mr D J C Bowles | 6206 | 6206 |
| Mrs F W Bowles | 226 | 226 |
| Mrs J I Bowles | 1695 | 1695 |
| Miss J V Bowles | 1066 | 1066 |

SMALL COMPANIES

The directors report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

D J C Bowles
Director

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

ACCOUNTANTS REPORT TO THE MEMBERS OF

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st March 1998, set out on pages 3 to 15, and you consider that the company is exempt from an audit and a report under section 249a(2) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

.....

NEWTON, MAGNUS & COMPANY

Accountants
Arrowsmith Court
Station Approach
Broadstone
Dorset BH18 8AT

date 15th January 1999

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

PROFIT & LOSS ACCOUNT

YEAR ENDED 31ST MARCH 1998

| | <u>Notes</u> | <u>1998</u> £ | <u>1997</u> £ |
|---|--------------|--------------------|--------------------|
| <u>TURNOVER</u> | 1d | 24,299 | 152,196 |
| Cost of sales | | 26,798 | 142,454 |
| | | <hr/> | <hr/> |
| <u>GROSS LOSS (1997 PROFIT)</u> | | (2,499) | 9,742 |
| Administrative expenses | | 13,388 | 25,394 |
| | | <hr/> | <hr/> |
| | | (15,887) | (15,652) |
| Other operating income | | - | 1,482 |
| Income from other fixed assets investments | | 29,179 | 4,840 |
| | | <hr/> | <hr/> |
| | | 13,292 | (9,330) |
| Interest payable | 3 | 8,231 | 17,469 |
| | | <hr/> | <hr/> |
| Profit (1997 loss) on ordinary activities before taxation | 2 | 5,061 | (26,799) |
| Taxation | 4 | 1,139 | 318 |
| | | <hr/> | <hr/> |
| Profit (1997 loss) on ordinary activities after taxation | | 3,922 | (27,117) |
| Retained losses brought forward | | (308,905) | (303,267) |
| Realisation of gain on property | | - | 21,479 |
| | | <hr/> | <hr/> |
| <u>RETAINED LOSSES carried forward</u> | | <u>£ (304,983)</u> | <u>£ (308,905)</u> |

The notes on pages 8 to 15 form part of these accounts

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST MARCH 1998

| | <u>1998</u> | <u>1997</u> |
|---|-------------|-------------|
| | £ | £ |
| Profit (1997 loss) for the year | 3,922 | (27,117) |
| Realisation of gain on property | - | 21,479 |
| Transfer from revaluation reserve on sale of property | - | (21,479) |
| Unrealised surplus on revaluation of properties | 66,600 | - |
| | <hr/> | <hr/> |
| Total recognised gains and losses for the year | 70,522 | (27,117) |
| | <hr/> | <hr/> |

The notes on pages 8 to 15 form part of these accounts

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

| | <u>Notes</u> | <u>1998</u> £ | <u>1997</u> £ |
|---|--------------|------------------|------------------|
| <u>FIXED ASSETS</u> | | | |
| Tangible assets | 5 | 246,255 | 287,915 |
| Investments | 11 | 4,118 | 4,118 |
| | | <hr/> | <hr/> |
| | | 250,373 | 292,033 |
| | | <hr/> | <hr/> |
| <u>CURRENT ASSETS</u> | | | |
| Stocks | 1c & 6 | - | 14,950 |
| Debtors | | 7,801 | 370 |
| Cash in hand | | 200 | 200 |
| | | <hr/> | <hr/> |
| | | 8,001 | 15,520 |
| | | <hr/> | <hr/> |
| <u>CREDITORS - amounts falling due within 1 year</u> | 7 | 396,692 | 516,339 |
| | | <hr/> | <hr/> |
| <u>NET CURRENT LIABILITIES</u> | | (388,691) | (500,819) |
| | | <hr/> | <hr/> |
| <u>TOTAL ASSETS LESS CURRENT LIABILITIES</u> | | (204,918) | (208,786) |
| <u>PROVISIONS FOR LIABILITIES AND CHARGES</u> | | | |
| Deferred taxation | 8 | 54 | 108 |
| | | <hr/> | <hr/> |
| <u>NET LIABILITIES</u> | | £(138,372) | £(208,894) |
| | | <hr/> | <hr/> |

The notes on pages 8 to 15 form part of these accounts

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

continued

| | <u>Notes</u> | <u>1998</u> £ | <u>1997</u> £ |
|------------------------------|--------------|------------------|------------------|
| <u>REPRESENTED BY</u> | | | |
| <u>CAPITAL AND RESERVES</u> | | | |
| Called up share capital | 9 | 9,193 | 9,193 |
| Revaluation reserve | 15 | 66,600 | - |
| Other reserves | | 90,818 | 90,818 |
| Profit and loss account | | (304,983) | (308,905) |
| | | <hr/> | <hr/> |
| <u>DEFICIENCY TO MEMBERS</u> | | £(138,372) | £(208,894) |
| | | <hr/> | <hr/> |

The notes on pages 8 to 15 form part of these accounts

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

In approving these financial statements as directors of the company we hereby confirm:

- a) that for the year in question the company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31st March 1998; and
- c) that we acknowledge our responsibilities for:
 - i) ensuring that the company keeps accounting records which comply with section 221, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit (or loss) for the year then ended, and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These accounts were approved by the board on the 14th January 1999 and signed on its behalf:

Approved by:

D J C Bowles
Director

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 1998

1 STATEMENT OF ACCOUNTING POLICIES

- a) The accounts have been prepared in accordance with the accounting concepts set out in the Financial Reporting Standard for Smaller Entities.

The accounting policies adopted by the Company are set out as part of these notes and unless otherwise specifically stated have been consistently applied for the current and preceding years.

b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|-----------------------------|----------------|
| Freehold land and buildings | nil |
| Fixtures and fittings | over ten years |

In accordance with SSAP 19:

- i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- ii) no depreciation or amortisation is provided in respect of freehold properties and leasehold investment properties with over twenty years to run.

The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

c) Turnover

Turnover represents the invoiced amount of goods sold and services provided by the Company, stated net of value added tax.

d) Consolidation

The company and its subsidiary comprise a small group. The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. These accounts present information about the company as an individual undertaking and not about its group.

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

2 NET PROFIT BEFORE TAXATION

| | <u>1998</u> | <u>1997</u> |
|--|-------------|-------------|
| | £ | £ |
| This is stated after charging | | |
| Depreciation of fixed assets | 260 | 260 |
| Auditors remuneration - audit work | - | 1,400 |
| Auditors remuneration - non audit work | - | 200 |
| Directors emoluments | 6,220 | 5,962 |
| | <hr/> | <hr/> |

3 INTEREST PAYABLE

| | <u>1998</u> | <u>1997</u> |
|----------------------------------|-------------|-------------|
| | £ | £ |
| On bank overdraft | 4,940 | 17,469 |
| On loan from ASG Finance Limited | 3,291 | - |
| | <hr/> | <hr/> |

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge in the accounts is made up as follows

| | <u>1998</u> | <u>1997</u> |
|--|-------------|-------------|
| | £ | £ |
| Decrease in deferred tax provision | (54) | (78) |
| Tax component of franked investment income | 617 | 396 |
| Charge on current years profit at 21% | 576 | - |
| | <hr/> | <hr/> |
| | 1,139 | 318 |
| | <hr/> | <hr/> |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

5 TANGIBLE ASSETS

see note 13
Freehold
Land and
Buildings
£

Fixtures
Fittings
and Office
Equipment
£

Total
£

COST

| | | | |
|-----------------|-----------|--------|-----------|
| Opening balance | 287,400 | 15,974 | 303,374 |
| Disposal | (108,000) | - | (108,000) |

| | | | |
|-----------------|---------|--------|---------|
| Closing balance | 179,400 | 15,974 | 195,374 |
|-----------------|---------|--------|---------|

DEPRECIATION

| | | | |
|---------------------|---|--------|--------|
| Opening balance | - | 15,459 | 15,459 |
| Charge for the year | - | 260 | 260 |

| | | | |
|-----------------|---|--------|--------|
| Closing balance | - | 15,719 | 15,719 |
|-----------------|---|--------|--------|

NET BOOK VALUE

| | | | |
|---------------------|-----------|-------|-----------|
| 31st March 1998 | £ 179,400 | £ 255 | £ 179,655 |
| Revaluation surplus | £ 66,600 | £ - | £ 66,600 |

| | | | |
|---|-----------|-------|-----------|
| Net balance sheet value 31st March 1998 | £ 246,000 | £ 255 | £ 246,255 |
|---|-----------|-------|-----------|

| | | | |
|-----------------|-----------|-------|-----------|
| 31st March 1997 | £ 287,400 | £ 515 | £ 287,915 |
|-----------------|-----------|-------|-----------|

6 STOCKS

| | | |
|--|-------------|-------------|
| | <u>1998</u> | <u>1997</u> |
| | £ | £ |
| Goods for resale (motor vehicles & spares) | - | 14,950 |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

7 CREDITORS

| | <u>1998</u> | <u>1997</u> |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Bank overdraft | 1,585 | 182,177 |
| Directors loan accounts | 15,396 | 17,052 |
| Other creditors | 14,141 | 4,017 |
| Amounts owed to group company | 289,695 | 295,385 |
| Amounts owed to related company | 75,299 | 17,708 |
| Corporation tax | 576 | - |
| | <hr/> | <hr/> |
| | 396,692 | 516,339 |
| | <hr/> | <hr/> |

8 DEFERRED TAXATION

There is a potential liability to deferred taxation on the results shown by these accounts. This has been fully provided and relates to chargeable gains on property and timing differences on capital allowances.

The chargeable gains arising on revaluation of freehold investment properties are estimated to be nil.

| | <u>Total</u> | <u>Property</u> | <u>Capital Allowances</u> |
|---------------------------------------|--------------|-----------------|---------------------------|
| Provision brought forward | 108 | - | 108 |
| Decrease in provision during the year | (54) | - | (54) |
| | <hr/> | <hr/> | <hr/> |
| Provision carried forward | 54 | - | 54 |
| | <hr/> | <hr/> | <hr/> |

9 SHARE CAPITAL

| | <u>1998</u> | <u>1997</u> |
|------------------------------|-------------|-------------|
| | £ | £ |
| <u>Authorised</u> | | |
| Ordinary shares of £1 each | 9,500 | 9,500 |
| Preference shares of £1 each | 500 | 500 |
| | <hr/> | <hr/> |
| | 10,000 | 10,000 |
| | <hr/> | <hr/> |
| <u>Issued and fully paid</u> | | |
| Ordinary shares of £1 each | 9,193 | 9,193 |
| | <hr/> | <hr/> |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

10 CAPITAL AND RESERVES OF GROUP AND RELATED COMPANIES

| Companies incorporated in England | Nominal value and Class of Shares Held | Percentage of Equity Held | Profit (loss) | |
|--------------------------------------|---|------------------------------|-------------------------------|--------------------|
| | | | for the year y/e 31.3.1998 | as at 31.3.1998 |
| | | | as at 31.3.1997 | as at 31.3.1998 |
| | | | £ | £ |
| Related Company | | | | |
| ASG Finance Limited | 250 ordinary £1 shares | 33 1/3 per cent | 2,336 | (912) |
| | | | | 1,424 |
| Group company | | | | |
| Selsey Properties Limited | 99 ordinary £1 shares | 99 per cent | 288,651 | 0 |
| | | | | 288,651 |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

11 INVESTMENTS

| | | | | <u>COST</u> | |
|---|--|-------------------------------------|---------------------|------------------|------------------|
| Companies incorporated in <u>England</u> | Nominal value and <u>Class of Shares Held</u> | Percentage of <u>Equity Held</u> | <u>Activity</u> | <u>1998</u> £ | <u>1997</u> £ |
| Group Companies | | | | | |
| Selsey Properties Limited | 99 ordinary £1 shares | 99 per cent | property investment | 99 | 99 |
| Related Company | | | | | |
| ASG Finance Limited | 250 ordinary £1 shares | 33 1/3 per cent | HP financing | 250 | 250 |
| Other Companies | | | | | |
| I T E Holdings Limited | 35200 ordinary £1 shares | small | | 3,769 | 3,769 |
| | | | | | |
| | | | | £ 4,118 | £ 4,118 |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

12 CHARGES OVER ASSETS

There are legal charges over the freehold properties and over book debts in favour of Nat West Bank P L C.

13 INVESTMENT PROPERTIES

| | <u>1998</u> | <u>1997</u> |
|---|-------------|-------------|
| | £ | £ |
| Valued by a director, Mr D J C Bowles as at 31st March 1998 | | |
| a) 40,42 Glenville Road, Bournemouth valued at subsequent sale price | - | 108,000 |
| b) 29 St Clements Road, Bournemouth subject to lease at a factor of annual rent | 90,000 | 63,000 |
| c) 12 Roumelia Lane, Boscombe Part subject to leases at a factor of annual rents and part with vacant possession. | 156,000 | 116,400 |
| | _____ | _____ |
| | 246,000 | 287,400 |
| | _____ | _____ |

14 DIRECTORS

| | <u>1998</u> | <u>1997</u> |
|------------|-------------|-------------|
| | £ | £ |
| Emoluments | 6,220 | 5,962 |
| | _____ | _____ |

15 REVALUATION RESERVE

| | <u>1998</u> | <u>1997</u> |
|------------------------------|-------------|-------------|
| Property revaluation in year | 66,600 | - |
| | _____ | _____ |
| Closing balance | 66,600 | - |
| | _____ | _____ |

AUTO SERVICE GARAGE (BOURNEMOUTH) LIMITED

NOTES TO THE ACCOUNTS - continued

YEAR ENDED 31ST MARCH 1998

16 RELATED PARTY TRANSACTIONS

- a) D J C Bowles and family loan accounts
(funds loaned to the company)

| | <u>DJ C Bowles</u> | <u>F W Bowles</u> | <u>J I Bowles</u> | <u>J V Bowles</u> |
|-----------------|--------------------|-------------------|-------------------|-------------------|
| Opening balance | 8,189 | 752 | 5,100 | 3,012 |
| Repayments | (1,656) | - | (5,100) | - |
| Loan to company | 5,100 | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Closing balance | 11,633 | 752 | - | 3,012 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

- b) Current accounts with subsidiary company Selsey Properties Limited

| | |
|----------------------------|---------|
| Opening creditor | 295,385 |
| Subsidiary debts collected | 3,656 |
| Subsidiary creditors paid | (9,346) |
| | <hr/> |
| Closing creditor | 289,695 |
| | <hr/> |

- c) A Renault motor car, purchased for £10,000 in the year, was sold to Mr D J C Bowles for £10,025

- d) ASG Finance Limited is owned

1/3 Auto Service Garage (Bournemouth) Limited
1/3 D J C Bowles
1/3 Mrs J I Bowles

The company sold one motor vehicle for £3250 to ASG Finance Limited.
ASG Finance Ltd loaned funds £56000 to the company in the year to provide working capital.

The current account with ASG Finance Limited was as follows:

| | |
|----------------------------|---------|
| Opening creditor | 17,708 |
| Receipts in year | 56,000 |
| Payments in year | (1,700) |
| Interest charged at 10% pa | 3,291 |
| | <hr/> |
| Closing creditor | 75,299 |
| | <hr/> |