

Central Garage (Surrey) Limited 359696

Report and Accounts
of *January 31, 1988*



Arthur Young

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended January 31, 1988.

Results and dividends

The loss on ordinary activities for the year after taxation was £5,950. The directors do not recommend the payment of a dividend. With retained profits of £235,897 brought forward this leaves retained profits to be carried forward of £229,947.

Review of the business

The company's principal activity during the year was the sale and servicing of motor cars and the provision of ancillary services.

Directors and their interests

The directors who served during the year were:

H. D. Duemke
V. W. Duemke
C. L. Roberts
F. F. Whipp
M. Duemke
Chai Fook Loong (Resigned June 30, 1987)

H. D. Duemke is also a director of William Jacks PLC, as was Chai Fook Loong until his resignation on June 30, 1987.

The directors had disclosable interests in the shares of the group as follows:

Ordinary shares in William Jacks PLC

	<u>January 31, 1988</u>	<u>January 31, 1987</u>
C. L. Roberts	81	81
V. W. Duemke	834	834
F. F. Whipp	2,750	5,250
M. Duemke	100	50

CENTRAL GARAGE (SURREY) LIMITED

2.

DIRECTORS' REPORT
(continued)

Auditors

A resolution to reappoint Arthur Young as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'V. J. Mitchell', written in a cursive style.

V. J. MITCHELL
Secretary

April 7, 1988



B-1a Hagan 3 B-1c Hagan 3
 Fetter Lane London EC4A 3DF

ARTHUR YOUNG
April 7, 1988

CENTRAL GARAGE (SURREY) LIMITED

4.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JANUARY 31, 1988

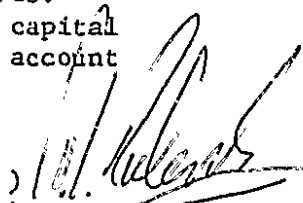
	<u>Notes</u>	£	<u>1988</u> £	<u>1987</u> £
Turnover	2		6,970,688	6,461,471
Cost of sales			(6,609,864)	(6,136,452)
			-----	-----
			360,824	325,019
Administrative expenses			(328,510)	(270,572)
			-----	-----
Operating profit	3		32,314	54,447
Interest payable	5	(52,789)		(57,312)
Interest receivable	6	1,656		-
		-----		-----
			(51,133)	(57,312)
			-----	-----
Loss on ordinary activities before taxation			(18,819)	(2,865)
Tax credit/(charge) on loss on ordinary activities	7		12,869	(4,278)
			-----	-----
Loss on ordinary activities after taxation			(5,950)	(7,143)
Retained profit brought forward			235,897	243,040
Retained profit carried forward			£ 229,947	£ 235,897
			=====	=====

The notes on pages 7 to 12 form part of these accounts

CENTRAL GARAGE (SURREY) LIMITED

5.

BALANCE SHEET AT JANUARY 31, 1988

	<u>Notes</u>	£	<u>1988</u> £	<u>1987</u> £
Fixed assets:				
Tangible assets	8		85,364	76,147
Current assets:				
Stocks	9	611,589		458,911
Debtors	10	510,370		559,929
Cash at bank and in hand		350		10,033
		1,122,309		1,028,873
Creditors: amounts falling due within one year	11	(839,809)		(738,822)
Net current assets			282,500	290,051
Total assets less current liabilities			367,864	366,198
Creditors: amounts falling due after more than one year:				
Loan	12		(100,000)	(100,000)
			267,864	266,198
Provision for liabilities and charges:				
Deferred taxation	13		(9,408)	(1,792)
			£258,456	£ 264,406
Capital and reserves:				
Called up share capital	14		28,509	28,509
Profit and loss account			229,947	235,897
C. L. ROBERTS) ) Directors			
H. D. DUENKE				
April 7, 1988				
			£258,456	£ 264,406

The notes on pages 7 to 12 form part of these accounts

CENTRAL GARAGE (SURREY) LIMITED

6.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED JANUARY 31, 1988

	£	<u>1988</u> £	<u>1987</u> £
Source of funds:			
Loss on ordinary activities before taxation		(18,819)	(2,865)
Adjustment for items not involving the movement of funds:			
Depreciation		17,318	18,324
Loss on disposal of fixed assets		-	166
		-----	-----
Total generated from operations		(1,501)	15,625
Funds from other sources:			
Proceeds of sale of fixed assets		-	263,880
Repayment of tax		371	-
		-----	-----
		(1,130)	279,505
		-----	-----
Application of funds:			
Purchase of tangible fixed assets	(26,535)		(21,556)
Taxation paid	-		(350)
	-----		-----
		(26,535)	(21,906)
		-----	-----
(Decrease)/increase in working capital		£(27,665)	£257,599
		=====	=====
Components of (decrease)/increase in working capital:			
Stocks		152,678	12,098
Debtors		(19,824)	1,668
Creditors		51,536	29,482
Holding company		(29,865)	(1,995)
Fellow subsidiaries		(49,399)	273,228
		-----	-----
		105,126	314,481
		-----	-----
Movement in net liquid funds:			
Cash in hand	(9,683)		(56,882)
Bank overdraft	(123,108)		-
	-----		-----
		(132,791)	(56,882)
		-----	-----
		£(27,665)	£257,599
		=====	=====

The notes on pages 7 to 12 form part of these accounts

NOTES TO THE ACCOUNTS AT JANUARY 31, 1988

These accounts take into consideration events occurring between January 31, 1988 and April 7, 1988, the date of approval of the accounts by the board of directors, have been included in the accounts to the extent that it is required by Statement of Standard Accounting Practice No. 17.

1. Accounting policies

(a) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is defined as follows:

Cars	-	the actual amount paid to date for each car
Spare parts	-	invoiced cost on a first-in, first-out basis.

(b) Depreciation

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

Leasehold land and buildings	-	period of the lease
Motor vehicles	-	25% reducing balance
Plant, equipment, furniture and fittings	-	15% reducing balance

(c) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

2. Turnover

Turnover, which arises solely in the United Kingdom, represents invoiced value of goods and services, after deducting cash discounts, commissions and value added tax.

CENTRAL GARAGE (SURREY) LIMITED

8.

NOTES TO THE ACCOUNTS AT JANUARY 31, 1988
(continued)

3. Operating profit

	<u>1988</u> £	<u>1987</u> £
(a) This is stated after charging:		
Directors' remuneration (see below)	243,551	195,854
Auditors' remuneration	7,700	8,072
Depreciation	17,318	18,324
Head office management fee	40,000	35,000
	=====	=====
(b) Directors' remuneration:		
Other emoluments (including pension contributions)	£243,551 =====	£195,854 =====
Emoluments of the highest paid director	£ 73,929 =====	£ 58,485 =====

The number of other directors whose emoluments fell within the ranges below were:

	<u>1988</u> No.	<u>1987</u> No.
£ 0 to £ 5,000	1	1
£20,001 to £25,000	-	1
£25,001 to £30,000	1	-
£30,001 to £35,000	-	3
£40,001 to £45,000	2	-
£45,001 to £50,000	1	-

4. Staff costs

	<u>1988</u> £	<u>1987</u> £
Wages and salaries	383,215	352,905
Social security costs	26,518	30,840
Other pension costs	17,948	11,191
	-----	-----
	£427,681 =====	£394,936 =====

CENTRAL GARAGE (SURREY) LIMITED

9.

NOTES TO THE ACCOUNTS AT JANUARY 31, 1988
(continued)4. Staff costs
(continued)

The average weekly number of employees during the year was made up as follows:

	<u>1988</u> No.	<u>1987</u> No.
Management	4	4
Sales and service	30	28
Administrative and clerical	8	8
	<u>42</u>	<u>40</u>
	=====	=====

5. Interest payable

	<u>1988</u> £	<u>1987</u> £
Bank overdraft and loans repayable within 5 years	48,947	44,872
Consignment stocking interest	3,842	12,440
	<u>£52,789</u>	<u>£57,312</u>
	=====	=====

6. Interest receivable

	<u>1988</u> £	<u>1987</u> £
Inter-company loan	£ 1,656	£ -
	=====	=====

7. Tax on loss on ordinary activities

	<u>1988</u> £	<u>1987</u> £
Amount (payable to)/receivable from a group company:		
- for losses surrendered	12,040	(1,758)
Deferred taxation	1,057	359
Taxation over/(under) provided in previous years:		
Group relief	(7,156)	-
Deferred taxation	(12)	(2,879)
Corporation tax	6,940	-
	<u>£12,869</u>	<u>£(4,278)</u>
	=====	=====

NOTES TO THE ACCOUNTS AT JANUARY 31, 1988
(continued)8. Tangible fixed assets

	Short leasehold land and buildings £	Plant, furniture and fittings £	Motor vehicles £	Total £
Cost:				
At February 1, 1987	32,310	156,240	20,061	208,611
Additions	18,998	7,537	-	26,535
	-----	-----	-----	-----
At January, 31, 1988	51,308	163,777	20,061	235,146
	-----	-----	-----	-----
Depreciation:				
At February 1, 1987	12,478	108,384	11,602	132,464
Provided during year	6,893	8,310	2,115	17,318
	-----	-----	-----	-----
At January 31, 1988	19,371	116,694	13,717	149,782
	-----	-----	-----	-----
Net book values:				
At January 31, 1988	£31,937	£ 47,083	£ 6,344	£ 85,364
	=====	=====	=====	=====
At February 1, 1987	£19,832	£ 47,856	£ 8,459	£ 76,147
	=====	=====	=====	=====

9. Stocks

	1988 £	1987 £
Stocks comprise:		
Motor vehicles	465,996	320,033
Spare parts	145,590	138,878
	-----	-----
	£611,589	£458,911
	=====	=====

The company has entered into an arrangement with its supplier under which new vehicles for sale have been financed on consignment terms. These vehicles and their related finance are not incorporated in the accounts. These amount to £241,114.

10. Debtors

	1988 £	1987 £
Trade debtors	151,808	170,632
Amounts due from fellow subsidiaries	268,425	298,160
Other debtors	80,456	82,468
Prepayments	9,681	8,669
	-----	-----
	£510,370	£559,929
	=====	=====

NOTES TO THE ACCOUNTS AT JANUARY 31, 1988
(continued)

11. Creditors: amounts falling due within one year

	<u>1988</u> £	<u>1987</u> £
Trade creditors	152,151	190,565
Bank overdraft	123,108	-
Amounts due to fellow subsidiaries	11,479	3,855
Amounts due to holding company	512,315	488,674
Taxation and social security	26,917	26,844
Other creditors	1,535	-
Accruals	12,304	28,884
	-----	-----
	£839,809	£738,822
	=====	=====

12. Loans

	<u>1988</u>	<u>1987</u>
Loan due to holding company	£100,000	£100,000
	=====	=====

The company has also entered into agreement with the holding company, William Jacks PLC, to accept £100,000 of its indebtedness to the holding company as a minimum three year term subordinated loan. Interest is charged at a variable commercial rate.

13. Deferred taxation

Deferred taxation has been provided in the accounts at the rate expected to be prevailing when the timing differences reverse - 35% (1987 - 35%).

	<u>1988</u> £	<u>1987</u> £
Capital allowances in advance of depreciation	9,408	10,453
Less advance corporation tax	-	(8,661)
	-----	-----
	£9,408	£ 1,792
	=====	=====

14. Called up share capital

	<u>1988</u>	<u>1987</u>
Authorised:		
Ordinary shares of £1 each	£ 29,500	£ 29,500
	=====	=====
Issued and fully paid:		
Ordinary shares of £1 each	£ 28,509	£ 28,509
	=====	=====

NOTES TO THE ACCOUNTS AT JANUARY 31, 1988
(continued)

15. Contingent liabilities

The company has agreed a collective overdraft facility with certain other group companies, which provides a bank overdraft facility for all companies involved, subject to normal banking terms and conditions, but without formal guarantees. The collective overdraft facility amounts to £1,550,000.

16. Ultimate holding company

The ultimate holding company is Johan Holdings Berhad, a company incorporated in Malaysia.