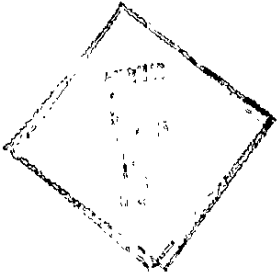


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CENTRAL GARAGE (SURREY) LIMITED



REPORT AND ACCOUNTS
JUNE 30, 1976

Arthur Young McClelland Moores & Co.

CHARTERED ACCOUNTANTS

LONDON



359696/83

CENTRAL GARAGE (SURREY) LIMITEDDIRECTORS' REPORT

The directors submit their report and accounts for the year ended June 30, 1976.

Results and dividends

The net profit for the year after taxation was £26,849. The directors recommend the payment of a dividend of £13,062.

Principal activity

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

Exports

No goods were exported from the United Kingdom during the year.

Directors

The directors who served during the year were :

L. L. Cooper	(Resigned July 1, 1975)
N. H. Burgess	(Appointed July 1, 1974)
H. D. Duemke (German)	
H. M. Bawtree	
C. L. Roberts	(Appointed August 1, 1974)

Mr. L. L. Cooper and Mr. N. H. Burgess are directors of the company's ultimate holding company, William Jacks & Company Limited.

The directors, apart from those who were directors of the holding company, who held shares in William Jacks & Company Limited were :

	<u>Ordinary shares</u>	
	<u>1976</u>	<u>1975</u>
H. D. Duemke	2,300	2,300
H. M. Bawtree	3,626	3,626
C. L. Roberts	825	825

Auditors

The auditors, Arthur Young McClelland Moores & Co., will continue in office in accordance with Section 159 (2) of the Companies Act, 1948.

BY ORDER OF THE BOARD

J. A. TRINICK

Secretary

November 30, 1976

Arthur Young McClelland Moores & Co.

CHARTERED ACCOUNTANTS

Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL

REPORT OF THE AUDITORS TO THE MEMBERS OF CENTRAL GARAGE (SURREY) LIMITED

We have examined the accounts set out on pages 3 to 8. These have been prepared under the historical cost convention except for the inclusion of freehold land and buildings at valuation.

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 June 30, 1976 and of the profit for the year ended on that date, and comply with the Companies Acts 1948 and 1967.

ARTHUR YOUNG McCLELLAND MOORES & CO.

Chartered Accountants

LONDON

November 30, 1976

CENTRAL GARAGE (SURREY) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 1976

	<u>Notes</u>	<u>1976</u>	<u>1975</u>
Turnover	2	<u>£2,624,552</u>	<u>£1,625,108</u>
		£	£
Profit before taxation		54,424	10,367
After charging :			33,373
Directors' remuneration	3	18,082	3,146
Depreciation	1(b)	3,225	2,385
Auditors' remuneration		1,980	1,054
Interest on long term loan		1,017	3,953
Other interest		<u>4,720</u>	
Taxation	4	<u>4,575</u>	<u>(1,600)</u>
Net profit after taxation		49,849	11,967
Group relief payable	4	<u>23,000</u>	-
		26,849	11,967
Dividends	6	<u>13,062</u>	<u>22,503</u>
		13,787	(10,536)
Retained profit brought forward		<u>28,230</u>	<u>38,766</u>
Retained profit carried forward		<u>£42,017</u>	<u>£28,230</u>

The accompanying notes form part of these accounts.

CENTRAL GARAGE (SURREY) LIMITED

BALANCE SHEET AT JUNE 30, 1976

	<u>Notes</u>	<u>1976</u>	<u>1975</u>
		£	£
Fixed assets	7	101,268	100,138
Current assets			
Stocks	1(a)	201,234	184,360
Debtors		53,037	32,944
Amounts due from fellow subsidiaries		36,561	19,060
Cash in hand		81	26
		<u>290,913</u>	<u>236,390</u>
Current liabilities			
Creditors		99,012	39,164
Current taxation		1,800	1,800
Amount due to holding company		54,243	46,665
Amounts due to fellow subsidiaries		56,768	19,702
Bank overdraft (secured)		18,248	75,008
Dividend payable to holding company	6	13,062	22,503
		<u>243,133</u>	<u>204,842</u>
Net current assets		47,780	31,548
		<u>£149,048</u>	<u>£131,686</u>
Representing:		£	£
Share capital		28,509	28,509
Reserves:			
Capital		19,947	19,947
Revenue		42,017	28,230
		<u>90,473</u>	<u>76,686</u>
Long term loan	9	13,500	14,500
Deferred taxation	10	45,075	40,500
N. H. BURGESS)		
H. M. BAWTREE) Directors		
		<u>£149,048</u>	<u>£131,686</u>

The accompanying notes form part of these accounts.

CENTRAL GARAGE (SURREY) LIMITED

NOTES TO THE ACCOUNTS AT JUNE 30, 1976

1. Accounting policies

a) Stocks

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

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

b) Depreciation

The company's policy is to provide depreciation on the reducing balance of the written down value of the assets at the following annual rates :

Motor vehicles	-	25%
Plant, equipment, furniture and fittings	-	10%

No depreciation is provided on freehold land and buildings.

c) Deferred taxation

The company provides deferred taxation, at the rates ruling at the balance sheet date, to take account of timing differences between the treatment of items for accounts purposes and their treatment for taxation purposes. Provision is also made for any potential liability to taxation which would arise if assets, which are revalued, were sold for the revalued amount.

2. Turnover

Turnover represents the invoiced sales of goods and services, after deducting cash discounts, commissions and value added tax.

3. Directors' remuneration

	<u>1976</u>	<u>1975</u>
	£	£
Directors' fees	750	750
Other emoluments	17,332	32,623
	<u>£18,082</u>	<u>£33,373</u>
Emoluments of the chairman	-	-
Emoluments of the highest paid director	<u>£ 8,211</u>	<u>£16,865</u>

CENTRAL GARAGE (SURREY) LIMITED

NOTES TO THE ACCOUNTS AT JUNE 30, 1976 (continued)

3. Directors' remuneration (continued)

	<u>1976</u>	<u>1975</u>
The number of other directors whose emoluments fell within the ranges below were :		
£Nil to £ 2,500	2	2
£2,501 to £ 5,000	-	-
£5,001 to £ 7,500	1	1
£7,501 to £10,000	-	1

4. Taxation

The taxation charge is made up as follows :

	<u>1976</u>	<u>1975</u>
	£	£
Corporation tax	-	(22,300)
Deferred taxation	4,575	27,800
Overprovision in prior period	-	(7,100)
	<u>£4,575</u>	<u>£(1,600)</u>

5. Group relief

Corporation tax payable of £23,000 for the year to June 30, 1976 has been set against the losses of the holding company.

6. Dividends

	<u>1976</u>	<u>1975</u>
Ordinary - proposed 47.71% equivalent, with associated tax credit, to 72.52% (1975 - 78.93%)	<u>£13,062</u>	<u>£22,503</u>

CENTRAL GARAGE (SURREY) LIMITED

NOTES TO THE ACCOUNTS AT JUNE 30, 1976 (continued)

7. Fixed assets

	<u>Freehold land and buildings</u> £	<u>Plant, equipment furniture and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost or valuation				
At July 1, 1975	83,515	25,527	2,068	111,110
Additions	691	3,664	-	4,355
	<u>84,206</u>	<u>29,191</u>	<u>2,068</u>	<u>115,465</u>
At June 30, 1976				
Depreciation				
At July 1, 1975	-	10,280	692	10,972
Charged during the year	-	2,881	344	3,225
	<u>-</u>	<u>13,161</u>	<u>1,036</u>	<u>14,197</u>
At June 30, 1976				
Net book value				
At June 30, 1976	£84,206	£16,030	£1,032	£101,268
	<u>£84,206</u>	<u>£16,030</u>	<u>£1,032</u>	<u>£101,268</u>
At June 30, 1975	£83,515	£15,247	£1,376	£100,138
	<u>£83,515</u>	<u>£15,247</u>	<u>£1,376</u>	<u>£100,138</u>
<u>Freehold land and buildings</u>				
	<u>1976</u> £	<u>1975</u> £		
At cost	31,706	31,015		
At valuation - 1971	52,500	52,500		
	<u>£84,206</u>	<u>£83,515</u>		

8. Share capital

Authorised	-	29,500 ordinary shares of £1 each (1975 - 29,500)
Issued and fully paid	-	28,509 ordinary shares of £1 each (1975 - 28,509)

CENTRAL GARAGE (SURREY) LIMITED

NOTES TO THE ACCOUNTS AT JUNE 30, 1976
(continued)

9. Long term loan

This loan is secured by a first mortgage on the freehold land and buildings situated at 22, Portsmouth Road, Cobham, Surrey. The loan is repayable in equal annual instalments over 20 years from January 1, 1970 with interest at 7% per annum.

10. Deferred taxation

	<u>1976</u>	<u>1975</u>
	£	£
The amount is made up as follows :		
Due to timing differences	10,450	10,450
On revaluation of properties	3,750	3,750
Stock relief	30,875	26,300
	<u>£45,075</u>	<u>£40,500</u>

11. Ultimate holding company

The ultimate holding company is William Jacks & Company Limited, a company incorporated in England.

12. Contingent liabilities

The company has guaranteed the borrowings of the holding company to a limit of £60,000.