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CENTRAL GARAGE (SURREY) LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended June 30, 1975.

Results and dividends

The net profit for the year after taxation was £11,967. The directors recommend the payment of a dividend of £22,503.

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	(Appointed June 30, 1975) Chairman
N. H. Burgess	(Appointed July 1, 1974)
H. D. Duemke	(German)
H. M. Bawtree	
C. L. Roberts	(Appointed August 1, 1974)
S. H. Smith	(Resigned July 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>1975</u>	<u>1974</u> (or date of appointment if later)
H. D. Duemke	2,300	2,300
H. M. Bawtree	3,626	2,176
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.

December 8, 1975.

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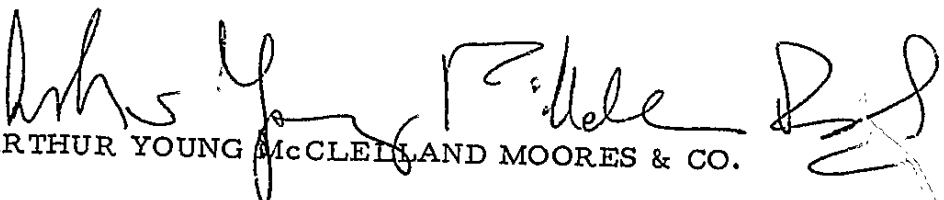
Arthur Young McClelland Moores & Co.

CHARTERED ACCOUNTANTS

Moor House, London Wall, London EC2Y 5HP

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

In our opinion, the accounts set out on pages 3 to 7 together give a true and fair view of the company's affairs at June 30, 1975 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.

December 8, 1975.

LONDON

CENTRAL GARAGE (SURREY) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 1975

	<u>Notes</u>	<u>1975</u>	<u>Eighteen months ended June 30, 1974</u>
Turnover	2	£ 1, 625, 108	£ 2, 272, 473
		<u>£</u>	<u>£</u>
Profit before taxation		10, 367	78, 478
after charging:			
Directors' remuneration	3	33, 373	31, 669
Depreciation	7	3, 146	2, 772
Auditors' remuneration		2, 385	1, 105
Interest on long term loan	9	1, 054	1, 724
Bank interest charges		3, 953	2, 937
		<u>£</u>	<u>£</u>
Taxation	4	(1, 600)	40, 490
Net profit after taxation		11, 967	37, 988
Add: Extraordinary item	5	-	6, 525
Net profit after taxation and extraordinary item		11, 967	44, 513
Dividends	6	22, 503	21, 562
		(10, 536)	22, 951
Retained profit brought forward		38, 766	15, 815
Retained profit carried forward		£ 28, 230	£ 38, 766

The accompanying notes form part of these accounts.

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CENTRAL GARAGE (SURREY) LIMITED

BALANCE SHEET AT JUNE 30, 1975

	<u>Notes</u>	<u>1975</u>	<u>1974</u>
		£	£
Fixed assets	7	100,138	97,510
Current assets			
Stocks		184,360	101,530
Debtors		32,944	39,632
Amounts due from fellow subsidiaries		19,060	7,533
Cash in hand		26	29
		<u>236,390</u>	<u>148,724</u>
Current liabilities			
Creditors		39,164	36,197
Current taxation		1,800	15,121
Amount due to holding company		46,665	4,379
Amounts due to fellow subsidiaries		19,702	16,764
Bank overdraft		75,008	37,889
Dividend payable to holding company		22,503	21,562
		<u>204,842</u>	<u>131,912</u>
Net current assets		<u>31,548</u>	<u>16,812</u>
		<u>£131,686</u>	<u>£114,322</u>
		£	£
Representing:			
Share capital	8	28,509	28,509
Reserves			
Capital		19,947	19,947
Revenue		8,230	38,766
Long term loan		76,686	87,222
Deferred taxation	10	14,500	15,500
		40,500	11,600
H. D. DUEMKE) Directors		
H. M. BAWTREE			
		<u>£131,686</u>	<u>£114,322</u>

The accompanying notes form part of these accounts.

CENTRAL GARAGE (SURREY) LIMITED
NOTES TO THE ACCOUNTS AT JUNE 30, 1975

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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

	1975	18 months ended June 30, 1974
	£	£
Directors' fees	750	1,125
Other emoluments	32,623	30,544
	<u>£33,373</u>	<u>£31,669</u>
	£	£
Emoluments of the chairman	-	-
Emoluments of the highest paid director	16,865	23,327

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

£Nil to £2,500	2	-
£2,501 to £5,000	-	-
£5,001 to £7,500	1	1
£7,501 to £10,000	1	-

CENTRAL GARAGE (SURREY) LIMITED

NOTES TO THE ACCOUNTS AT JUNE 30, 1975 (Continued)

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4. Taxation

The taxation charge is made up as follows:

	<u>1975</u>	<u>18 months ended June 30, 1974</u>
	£	£
Corporation tax	(22,300)	36,476
Deferred taxation	27,800	4,650
Overprovision in prior period	(7,100)	(636)
	<u>£(1,600)</u>	<u>£40,490</u>

5. Extraordinary item

During the previous period, the company obtained compensation from a motor manufacturer for failure to fulfil promises of a distributorship agreement. The amount is stated in the accounts after relevant taxation.

6. Dividends

	<u>1975</u>	<u>18 months ended June 30, 1974</u>
Ordinary - proposed 51.31% equivalent, with associated tax credit, to 78.93% (1974 - 75.63%)	<u>£22,503</u>	<u>£21,562</u>

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 June 30, 1974	83,202	21,355	1,053	105,610
Additions	313	4,197	1,416	5,926
	<u>83,515</u>	<u>25,552</u>	<u>2,469</u>	<u>111,536</u>
Disposals	-	(25)	(401)	(426)
At June 30, 1975	<u>83,515</u>	<u>25,527</u>	<u>2,068</u>	<u>111,110</u>
Depreciation				
At June 30, 1974	-	7,593	507	8,100
Charged during the year	-	2,687	459	3,146
	<u>-</u>	<u>10,280</u>	<u>966</u>	<u>11,246</u>
Disposals	-	-	(274)	(274)
At June 30, 1975	<u>-</u>	<u>10,280</u>	<u>692</u>	<u>10,972</u>
Net book value				
At June 30, 1975	<u>£83,515</u>	<u>£15,247</u>	<u>£ 1,376</u>	<u>£100,138</u>
At June 30, 1974	<u>£83,202</u>	<u>£13,762</u>	<u>£ 546</u>	<u>£ 97,510</u>

CENTRAL GARAGE (SURREY) LIMITED

NOTES TO THE ACCOUNTS AT JUNE 30, 1975
(Continued)

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7.	<u>Fixed assets</u> (Continued)	1975 £	1974 £
	Freehold land and buildings		
	At cost	31,015	30,702
	At valuation 1971	52,500	52,500
		<u>£83,515</u>	<u>£83,202</u>
8.	<u>Share capital</u>		
	Authorised - 29,500 ordinary shares of £1 each (1974 - 29,500)		
	Issued and fully paid - 28,509 ordinary shares of £1 each (1974 - 28,509)		
9.	<u>Long term loan</u>		
	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.	<u>Deferred taxation</u>	1975 £	18 months ended June 30, 1974 £
	The amount is made up as follows:		
	Due to timing differences	10,450	7,850
	On revaluation of properties	3,750	3,750
	Stock relief	26,300	-
		<u>£40,500</u>	<u>£11,600</u>
11.	<u>Ultimate holding company</u>		
	The ultimate holding company is William Jacks & Company Limited, a company incorporated in the United Kingdom.		
12.	<u>Contingent liabilities</u>		
	The company has guaranteed the bank overdrafts of certain other subsidiaries in the William Jacks' group. The overdrafts of the companies concerned amounted to £114,608 at June 30, 1975.		