

Central Garage (Surrey) Limited

3 59696

Report and Accounts
January 31, 1987



Arthur Young

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Chartered Accountants London

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended January 31, 1987.

Results and dividends

The loss on ordinary activities for the year after taxation was £7,143. The directors do not recommend the payment of a dividend. With retained profits of £69,824 brought forward and the realisation of revaluation reserves of £173,216 this leaves retained profits to be carried forward of £235,897.

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

H. D. Duemke and Chai Fook Loong are also directors of William Jacks PLC.

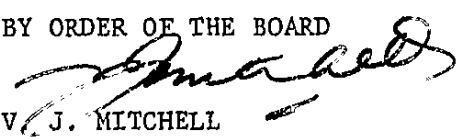
The directors had disclosable interests in the shares of the group as follows:

<u>Ordinary shares in William Jacks PLC</u>		
	<u>January 31, 1987</u>	<u>January 31, 1986</u>
C. L. Roberts	81	3,022
V. W. Duemke	834	834
F. F. Whipp	5,250	5,250
M. Duemke	50	100

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


V. J. MITCHELL
Secretary

April 27, 1987



Arthur Young

Chartered Accountants
Bells House, 7 Bells Building,
Fetter Lane, London EC4A 3DF

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

We have audited the accounts on pages 3 to 11 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, give a true and fair view of the state of the company's affairs at January 31, 1987 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

Arthur Young

ARTHUR YOUNG

April 27, 1987

CENTRAL GARAGE (SURREY) LIMITED

3.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JANUARY 31, 1987

	<u>Notes</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Turnover			
Cost of sales	2	6,461,471 (6,136,452)	5,375,215 (5,108,985)
		<u>325,019</u>	<u>266,230</u>
Administrative expenses		(270,572)	(237,169)
Operating profit	3	<u>54,447</u>	<u>29,061</u>
Interest payable	5	(57,312)	(65,906)
Loss on ordinary activities before taxation		<u>(2,865)</u>	<u>(36,845)</u>
Tax on loss on ordinary activities	6	(4,278)	18,099
Loss on ordinary activities after taxation		<u>(7,143)</u>	<u>(18,746)</u>
Amortisation of revaluation surplus		-	1,487
Retained loss for the year	14	<u>£ (7,143)</u> =====	<u>£ (17,259)</u> =====

The notes on pages 6 to 11 form part of these accounts

CENTRAL GARAGE (SURREY) LIMITED

BALANCE SHEET AT JANUARY 31, 1987

4.

	<u>Notes</u>	£	<u>1987</u> £	<u>1986</u> £
Fixed assets:				
Tangible assets	7		76,147	336,961
Current assets:				
Stocks	8	458,911		446,813
Debtors	9	559,929		289,546
Cash at bank and in hand		10,033		66,915
		<u>1,028,873</u>		<u>803,274</u>
Creditors: amounts falling due within one year	10	(738,822)		(767,395)
Net current assets			290,051	35,879
Total assets less current liabilities			<u>366,198</u>	<u>372,840</u>
Creditors: amounts falling due after more than one year:				
Loans and hire purchase creditors	11		(100,000)	(100,000)
Provision for liabilities and charges:			266,198	272,840
Deferred taxation	12		(1,792)	(1,291)
			<u>£264,406</u>	<u>£271,549</u>
Capital and reserves:				
Called up share capital	13		28,509	28,509
Revaluation reserve	14		-	173,216
Profit and loss account	14		235,897	69,824
			<u>£264,406</u>	<u>£271,549</u>

C. L. ROBERTS

H. D. DUEMKE

April 27, 1987

[Signatures]
Directors

The notes on pages 6 to 11 form part of these accounts

CENTRAL GARAGE (SURREY) LIMITED

5.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED JANUARY 31, 1987

	£	<u>1987</u> £	<u>1986</u> £
Source of funds:			
Loss on ordinary activities before taxation		(2,865)	(36,845)
Adjustment for items not involving the movement of funds:			
Depreciation		18,324	17,337
Loss on disposal of fixed assets		166	-
		<u>15,625</u>	<u>(19,508)</u>
Total generated from/(absorbed by) operations			
Funds from other sources:			
Proceeds of sale of fixed assets		263,880	-
Loan from holding company		-	100,000
		<u>279,505</u>	<u>80,492</u>
Application of funds:			
Dividend paid	-		(6,425)
Repayment of loans	-		(12,815)
Purchase of tangible fixed assets	(21,556)		(2,086)
Intercompany transfer of fixed assets	-		(12,376)
Taxation paid	(350)		-
		<u>(21,906)</u>	<u>(33,702)</u>
Increase in working capital		<u>£257,599</u>	<u>£ 46,790</u>
Components of increase/(decrease) in working capital:			
Stocks	12,098		23,836
Debtors	1,668		32,104
Creditors	29,482		(131,529)
Holding company	(1,995)		(310,492)
Fellow subsidiaries	273,228		11,658
		<u>314,481</u>	<u>(374,423)</u>
Movement in net liquid funds:			
Cash in hand	(56,882)		66,552
Bank overdraft	-		354,661
		<u>(56,882)</u>	<u>421,213</u>
		<u>£257,599</u>	<u>£ 46,790</u>

The notes on pages 6 to 11 form part of these accounts

NOTES TO THE ACCOUNTS AT JANUARY 31, 1987

These accounts take into consideration events occurring between January 31, 1987 and April 27, 1987, 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:

- | | | |
|--|---|----------------------|
| Freehold buildings | - | 50 years |
| 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

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NOTES TO THE ACCOUNTS AT JANUARY 31, 1987
(continued)

3. Operating profit

	<u>1987</u> £	<u>1986</u> £
(a) This is stated after charging:		
Directors' remuneration (see below)	195,854	181,380
Auditors' remuneration	8,072	5,497
Depreciation	18,324	17,337
Head office management fee	35,000	10,000
	=====	=====
(b) Directors' remuneration:		
Other emoluments (including pension contributions)	£195,854	£181,380
	=====	=====
Emoluments of the highest paid director	£ 58,485	£ 57,476
	=====	=====

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

	<u>1987</u> No.	<u>1986</u> No.
£ 0 to £ 5,000	1	1
£15,001 to £20,000	-	-
£20,001 to £25,000	1	1
£25,001 to £30,000	1	-
£30,001 to £35,000	3	3

4. Staff costs

	<u>1987</u> £	<u>1986</u> £
Wages and salaries	352,905	306,486
Social security costs	30,840	31,605
Other pension costs	11,191	13,399
	=====	=====
	£394,936	£351,490
	=====	=====

CENTRAL GARAGE (SURREY) LIMITED

8.

NOTES TO THE ACCOUNTS AT JANUARY 31, 1987
(continued)4. Staff costs
(continued)

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

	<u>1987</u> No.	<u>1986</u> No.
Management	4	2
Sales and service	28	31
Administrative and clerical	8	6
	<u>40</u>	<u>39</u>
	=====	=====

5. Interest payable

	<u>1987</u> £	<u>1986</u> £
Bank overdraft and loans repayable within 5 years	44,872	33,198
Consignment stocking interest	12,440	32,708
	<u>£57,312</u>	<u>£65,906</u>
	=====	=====

6. Tax on loss on ordinary activities

The corporation tax (charge)/credit for the year has been computed using a composite rate which reflects the different rates that prevailed during the year.

	<u>1987</u> £	<u>1986</u> £
U.K. corporation tax at 35.81% (1986 - 40.83%)	-	(4,720)
Amount (payable to)/receivable from a group company:		
- for losses surrendered	(1,758)	17,936
Deferred taxation	359	(458)
Taxation over/(under) provided in previous years:		
Group relief	-	(853)
Deferred taxation	(2,879)	6,194
	<u>£(4,278)</u>	<u>£18,099</u>
	=====	=====

CENTRAL GARAGE (SURREY) LIMITED

9.

NOTES TO THE ACCOUNTS AT JANUARY 31, 1987
(continued)7. Tangible fixed assets

	<u>Land and buildings</u>		<u>Plant,</u>	<u>Motor</u>	<u>Total</u>
	<u>Freehold</u>	<u>Short</u>	<u>furniture</u>	<u>vehicles</u>	
	£	£	£	£	£
Cost or valuation:					
At February 1, 1986	266,000	20,816	150,698	25,252	462,766
Additions	-	11,494	5,542	4,521	21,556
Disposals	-	-	-	(9,712)	(9,712)
Intercompany transfer	(266,000)	-	-	-	(266,000)
	-----	-----	-----	-----	-----
At January, 31, 1987	-	32,310	156,240	20,061	208,611
	-----	-----	-----	-----	-----
Depreciation:					
At February 1, 1986	-	9,247	99,939	16,619	125,805
Provided during year	3,420	3,231	8,445	3,228	18,324
Disposals	-	-	-	(8,245)	(8,245)
Intercompany transfer	(3,420)	-	-	-	(3,420)
	-----	-----	-----	-----	-----
At January 31, 1987	-	12,478	108,384	11,602	132,464
	-----	-----	-----	-----	-----
Net book values:					
At January 31, 1987	£ -	£19,832	£ 47,856	£ 8,459	£ 76,147
	=====	=====	=====	=====	=====
At February 1, 1986	£266,000	£11,569	£ 50,759	£ 8,633	£336,961
	=====	=====	=====	=====	=====

The freehold land and buildings which had been valued at January 31, 1986 on an open market basis at £266,000 by Mann & Co., Chartered Surveyors were transferred to a fellow subsidiary at net book value on January 31, 1987.

8. Stocks

	<u>1987</u>	<u>1986</u>
	£	£
Stocks comprise:		
Motor vehicles	320,033	327,330
Spare parts	138,878	119,483
	-----	-----
	£458,911	£446,813
	=====	=====

9. Debtors

	<u>1987</u>	<u>1986</u>
	£	£
Trade debtors	170,632	139,100
Amounts due from fellow subsidiaries	298,160	29,445
Other debtors	82,468	111,453
Prepayments	8,669	9,548
	-----	-----
	£559,929	£289,546
	=====	=====

NOTES TO THE ACCOUNTS AT JANUARY 31, 1987
(continued)

10. Creditors: amounts falling due within one year

	<u>1987</u> £	<u>1986</u> £
Trade creditors	190,565	194,297
Amounts due to fellow subsidiaries	3,855	8,368
Amounts due to holding company	488,674	482,902
Taxation and social security	26,844	67,922
Other creditors	-	401
Accruals	28,884	13,505
	<u>£738,822</u>	<u>£767,395</u>
	=====	=====

11. Loans

	<u>1987</u>	<u>1986</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.

12. Deferred taxation

Deferred taxation provided in the accounts and the amounts not provided are set out below:

	<u>Provided</u>		<u>Not provided</u>	
	<u>1987</u> £	<u>1986</u> £	<u>1987</u> £	<u>1986</u> £
Capital allowances in advance of depreciation	10,453	7,933	-	-
Less advance corporation tax	(8,661)	(6,642)	-	-
	<u>1,792</u>	<u>1,291</u>	<u>-</u>	<u>-</u>
Taxation on valuation surplus	-	-	-	34,384
	<u>£ 1,792</u>	<u>£1,291</u>	<u>£ -</u>	<u>£ 34,384</u>
	=====	=====	=====	=====

Where applicable, provision has been made at the rate expected to be prevailing when the timing differences reverse - 1987 - 35% (1986 - 35.83%).

13. Called up share capital

	<u>1987</u>	<u>1986</u>
Authorised:		
Ordinary shares of £1 each	£ 29,500	£ 29,500
	=====	=====
Issued and fully paid:		
Ordinary shares of £1 each	£ 28,509	£ 28,509
	=====	=====

CENTRAL GARAGE (SURREY) LIMITED

11.

NOTES TO THE ACCOUNTS AT JANUARY 31, 1987
(continued)

14. Reserves

	<u>Revaluation reserve</u>	<u>Profit and loss account</u>
	£	£
At February 1, 1986		
Retained loss for the year	173,216	69,824
Revaluation reserve realised	-	(7,143)
	(173,216)	173,216
	-----	-----
At January 31, 1987	£ -	£235,897
	=====	=====

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 £1,300,000.

16. Ultimate holding company

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