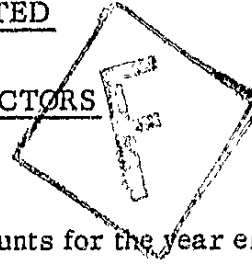


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G. E. HARPER LIMITED  
REPORT OF THE DIRECTORS



The Directors present their Report and Accounts for the year ended 30th September, 1976.

The principal activity of the Group continued to be that of Garage Proprietors.

The Directors report a profit for the year after taxation of £16939.

The Directors are satisfied with the state of the Company's affairs. The company's resources continue to be fully utilized and the Directors do not recommend a dividend on the ordinary share capital. Members will be asked to confirm the proposed dividend on the preference shares for the year ended 30th September, 1976.

No goods were exported during the year.

The Directors and their interests ( including family holdings ) in the shares of the Company which remained unchanged throughout the year were as follows:-


	<u>Ordinary</u>	<u>Preference</u>
Mr. P.C.E. Harper	14187	4460
Mr. E.M. Webb	4563	1875
Mrs. M. Harper	None	1
Mr. R.W. Egner	None	None

The Director retiring by rotation is Mr. E.M. Webb and being eligible, he offers himself for re-election.


The Directors consider that the total market value of the Group Freehold Properties is considerably in excess of its book value.

The Auditors, Neville Russell & Co., are willing to continue in office in accordance with the Companies Act, 1948.

BY ORDER OF THE BOARD

  
R.W. Egner  
Secretary.

28th February, 1977.



REPORT OF THE AUDITORS TO THE MEMBERS OF

G. E. HARPER LIMITED

We have examined the accounts set out on pages 3 to 11. These have been prepared under the historical cost convention.

As stated in Note 1 (b) no account has been taken of the compensation claim. Subject thereto, in our opinion these accounts give, under the accounting convention stated above, so far as concerns members of the holding company, a true and fair view of the state of affairs at 30th September, 1976 and of the profit for the year ended on that date and comply with the Companies Acts, 1948 and 1967.

Stuart Chambers,  
LUTON, Bedfordshire.

NEVILLE RUSSELL & CO.,  
Chartered Accountants.

28th February, 1977.

G. E. HARPER LIMITED

CONSOLIDATED BALANCE SHEET

30TH SEPTEMBER, 1976

	<u>Note</u>	<u>£</u>	<u>1976</u>	<u>£</u>	<u>1975</u>	<u>£</u>
FIXED ASSETS	2.		302655		267734	
INVESTMENTS	3.		25211		23635	
INTEREST IN SUBSIDIARY COMPANIES	11.		3141		-	
CURRENT ASSETS						
Stock and work in progress	4.	315262		281789		
Debtors		83155		87083		
Taxation repayable		1281		1503		
Bank and cash balances		<u>2275</u>		<u>2222</u>		
			<u>401973</u>		<u>372597</u>	
CURRENT LIABILITIES						
Creditors		140695		116600		
Provision for unearned hiring charges		7618		1936		
Taxation		1098		6521		
Bank overdrafts	5.	217899		216069		
Amount due to related companies	6.	554		1356		
Directors' current accounts		5307		4800		
Hire purchase loans with related companies		20212		-		
Preference dividend		<u>833</u>		<u>833</u>		
			<u>394216</u>		<u>348115</u>	
NET CURRENT ASSETS			<u>7757</u>		<u>24482</u>	
			<u>338764</u>		<u>315851</u>	
DEFERRED LIABILITIES						
Corporation Tax payable, 1978			<u>(525)</u>		-	
NET ASSETS			<u>£338239</u>		<u>£315851</u>	
Financed by:-						
SHAREHOLDERS FUNDS						
Share capital	7.		35750		35750	
Reserves	8.		130828		114722	
DEFERRED TAXATION	9.		48170		38705	
LOAN CAPITAL	10.		<u>123491</u>		<u>126674</u>	
			<u>£338239</u>		<u>£315851</u>	
P. C. E. HARPER	)					
.....	)					
E. M. WEBB	)					
.....	)					
Directors.						
The attached notes form an integral part of these Accounts.						

G. E. HARPER LIMITED

BALANCE SHEET 30TH SEPTEMBER, 1976

	Note	£	1976	£	1975	£
FIXED ASSETS	2.			116884		111667
INTEREST IN SUBSIDIARY COMPANIES	11.			66220		54237
INVESTMENTS	3.			25211		23635
CURRENT ASSETS						
Stock and work in progress	4.	208574			213981	
Debtors		55948			64945	
Taxation repayable		1281			1503	
Cash balance		1091			964	
		<u>266894</u>			<u>281393</u>	
CURRENT LIABILITIES						
Creditors		85375			74706	
Taxation		448			850	
Bank overdraft	5.	150533			157406	
Amount due to related companies	6.	3969			2724	
Directors' current accounts		387			2136	
Preference dividend		833			833	
		<u>241545</u>			<u>238655</u>	
NET CURRENT ASSETS				<u>25349</u>		<u>42738</u>
NET ASSETS				<u>£233664</u>		<u>£232277</u>
Financed by:-						
SHAREHOLDERS FUNDS						
Share capital	7.	35750			35750	
Reserves	8.	<u>79539</u>			<u>78636</u>	
				115289		114386
DEFERRED TAXATION	9.			10170		10410
LOAN CAPITAL	10.			<u>108205</u>		<u>107481</u>
				<u>£233664</u>		<u>£232277</u>
P. C. E. HARPER	)					
E. M. WEBB	) Directors.					

The attached notes form an integral part of these Accounts.

G. E. HARPER LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

	<u>Note</u>	<u>1976</u> <u>£</u>	<u>1975</u> <u>£</u>
TURNOVER	1.	<u>£2163603</u>	<u>£1759870</u>
PROFIT FOR YEAR BEFORE TAXATION	12.	28151	26921
TAXATION	13.	<u>11469</u>	<u>11350</u>
PROFIT FOR YEAR AFTER TAXATION		16682	15571
EXTRAORDINARY ITEM	15.	<u>257</u>	<u>-</u>
PROFIT AFTER TAXATION AND EXTRAORDINARY ITEM		16939	15571
PREFERENCE DIVIDEND		<u>833</u>	<u>833</u>
RETAINED PROFIT	8.	<u>£16106</u>	<u>£14738</u>

The attached notes form an integral part of these Accounts.

G. E. HARPER LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED

30TH SEPTEMBER, 1976

1. ACCOUNTING POLICIES

(a). Consolidation

The consolidated accounts incorporate the accounts of the holding company and its wholly owned subsidiaries to 30th September, 1976. The consolidated accounts do not include the accounts of its partly owned subsidiaries ( see note 11), because, in the opinion of the Directors it would be of no real value to the members in view of the insignificant amounts involved.

(b). Trading Disruption

During the year the Company suffered considerable disruption due to the extensive roadworks affecting the main premises. Based on legal advice a claim for costs of disruption is being prepared but the amount recoverable is not yet known and no figure has been included in these accounts.

(c). Turnover

Turnover represents vehicles sold and related services excluding VAT.

(d). Depreciation

Depreciation is provided on a reducing balance basis at 15% on Plant, Fixtures, Fittings and Equipment and on a straight line basis at 25% on Motor Vehicles for all companies apart from Letchworth Accident Repair Centre Limited and G. E. H. Contract Hire Limited.

In the case of Letchworth Accident Repair Centre Limited depreciation is provided on a straight line basis at 15% on Plant and Machinery and at 12½% on Furniture and Fittings.

In the case of G. E. H. Contract Hire Limited depreciation is provided at 33⅓% on a straight line basis on Motor Vehicles.

(e). Amortisation

Leasehold Property is amortised over the period of the lease.

(f). Deferred Taxation

Deferred Taxation takes account of timing differences between the treatment of relevant fixed assets and stock and work in progress for accounts purposes and their treatment for taxation purposes using the liability method at a corporation tax rate of 52%.

(g). Stock and Work in Progress

Stock and work in progress is valued at the lower of cost or net realisable value. Cost has been determined on a first in first out basis ( FIFO ). Work in progress comprises the cost of direct labour and related workshop overheads.

G. E. HARPER LIMITED

NOTES ON THE ACCOUNTS ( CONTINUED )

FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

2. FIXED ASSETS

<u>The Company</u>	<u>Freehold</u>	<u>Short</u>	<u>Plant, Fixtures,</u>	<u>Motor</u>	
<u>Cost</u>	<u>property</u>	<u>Leases</u>	<u>Fittings &amp; Equipment</u>	<u>vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1st October, 1975	96046	191	47828	3039	147104
Additions	-	187	6186	3153	9526
	96046	378	54014	6192	156630
Disposals	-	-	-	(656)	(656)
30th September, 1976	<u>£96046</u>	<u>£ 378</u>	<u>£54014</u>	<u>£5536</u>	<u>£155974</u>
<u>Depreciation - Note 1</u>					
1st October, 1975			34135	1302	35437
Charge for year			2402	1578	3980
On disposals				(327)	(327)
30th September, 1976			<u>£36537</u>	<u>£2553</u>	<u>£39090</u>
<u>Net Book Value</u>					
30th September, 1976	<u>£96046</u>	<u>£378</u>	<u>£17477</u>	<u>£2983</u>	<u>£116884</u>
30th September, 1975	<u>£96046</u>	<u>£191</u>	<u>£13693</u>	<u>£1737</u>	<u>£111667</u>
<u>The Group</u>	<u>Freehold</u>	<u>Short</u>	<u>Plant, Fixtures,</u>	<u>Motor</u>	
	<u>Property</u>	<u>Leases</u>	<u>Fittings &amp; Equipment</u>	<u>Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1st October, 1975	200617	1381	68236	56769	327003
Additions	-	187	11218	80087	91492
	200617	1568	79454	136856	418495
Disposals	(12046)	(591)	(1067)	(33978)	(47682)
30th September, 1976	<u>£188571</u>	<u>£977</u>	<u>£78387</u>	<u>£102878</u>	<u>£370813</u>
<u>Depreciation and Amortisation</u>					
<u>- Note 1</u>					
1st October, 1975		327	38686	20256	59269
Charge for year		46	5217	25127	30390
On disposals		-	-	(21501)	(21501)
30th September, 1976		<u>£373</u>	<u>£43903</u>	<u>£23882</u>	<u>£68158</u>
<u>Net Book Value</u>					
30th September, 1976	<u>£188571</u>	<u>£604</u>	<u>£34484</u>	<u>£78996</u>	<u>£302655</u>
30th September, 1975	<u>£200617</u>	<u>£1054</u>	<u>£29550</u>	<u>£36513</u>	<u>£267734</u>

# G.E. HARPER LIMITED

## NOTES ON THE ACCOUNTS ( CONTINUED )

FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

### 3. INVESTMENTS

Investments represent the cost of premium paid on life assurance policies in connection with a secured loan of £30,000 ( note 10. ). The surrender value of the policies at 30th September, 1976 was as advised by the Insurance Company £37,762 ( 1975 £33,782 ).

### 4. STOCK AND WORK IN PROGRESS comprise:-

	<u>The Company</u>		<u>The Group</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Motor vehicles ( including deposits )	140252	159085	225261	210780
Parts and accessories	58184	48384	72039	60028
Petrol, oil and lubricants	9971	6055	16819	9970
Work in progress	167	457	1143	1011
	<u>£208574</u>	<u>£213981</u>	<u>£315262</u>	<u>£281789</u>

### 5. BANK OVERDRAFTS

The bank overdrafts are secured.

### 6. RELATED COMPANIES

Related companies are those where there are substantial common shareholdings and are:-

Harper Self-Drive Limited  
Stevenage Finance Company Limited  
Letchworth Finance Company Limited  
The Harper School of Driving Limited

### 7. SHARE CAPITAL

	<u>Authorised</u>	<u>Issued and Fully Paid</u>
	<u>£</u>	<u>£</u>
17,000 - 4.9% (formerly 7% gross ) Cumulative Preference shares of £1 each	17000	17000
18,750 - Ordinary shares of £1 each	18750	18750
250 - Unclassified shares of £1 each	250	-
	<u>£36000</u>	<u>£35750</u>

### 8. RESERVES

	<u>The Company</u>		<u>The Group</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1st October, 1975	78636	74738	114722	99984
Retained Profit for year	903	3898	16106	14738
30th September, 1976	<u>£79539</u>	<u>£78636</u>	<u>£130828</u>	<u>£114722</u>

The reserves include £3833 relating to the Company and £10360 for the Group which are not available for distribution.



G. E. HARPER LIMITED

NOTES ON THE ACCOUNTS ( CONTINUED )

FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

9. DEFERRED TAXATION

The balance of deferred taxation using the liability method is comprised as follows:-

	<u>The Company</u>		<u>The Group</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Taxation on the excess of the book value of relevant fixed assets over their written down values for taxation purposes	9220	5960	34620	30145
Taxation deferred because of stock relief claim.	<u>950</u>	<u>4450</u>	<u>13550</u>	<u>8560</u>
	<u>£10170</u>	<u>£10410</u>	<u>£48170</u>	<u>£38705</u>

No provision has been made to equalise the tax charge which would be payable in the event of a sale of industrial buildings, for which tax allowances are being claimed.

10. LOAN CAPITAL

<u>The Company</u>	<u>1976</u>	<u>1975</u>	<u>Repayable</u>	<u>Annual Interest Rate</u>
	<u>£</u>	<u>£</u>		
<u>Secured</u>	30000	30000	after five years by monthly instalments of £52.	8%
	4190	4809		3%
	<u>34190</u>	<u>34809</u>		
<u>Unsecured</u>	14500	14500	at the company's option	6%
	59515	58172	Subsidiary company substantially by equal monthly instalments over 15 years ending 1991	5½%
	<u>£108205</u>	<u>£107481</u>		
<u>The Group</u>	<u>1976</u>	<u>1975</u>	<u>Repayable</u>	<u>Annual Interest Rate</u>
	<u>£</u>	<u>£</u>		
<u>Secured</u>	30000	30000	after five years by monthly instalments of £52.	8%
	4190	4809		3%
	56884	54968	by equal monthly instalments over 15 years ending 1991	
	17917	22397	by seven equal annual instalments ending 1980	5½%
	<u>108991</u>	<u>112174</u>		
<u>Unsecured</u>	<u>14500</u>	<u>14500</u>	at the company's option	6%
	<u>£123491</u>	<u>£126674</u>		

G.E. HARPER LIMITED

NOTES ON THE ACCOUNTS ( CONTINUED )

FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

11. INTEREST IN SUBSIDIARY COMPANIES

<u>Subsidiaries Consolidated</u>	<u>The Company</u>		<u>The Group</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Shares at cost	69526	69526	-	-
Current Accounts	(6447)	(15289)	-	-
 <u>Subsidiaries not Consolidated</u>				
Shares at cost	77	-	77	-
Current Accounts	<u>3064</u>	<u>-</u>	<u>3064</u>	<u>-</u>
	<u>£66220</u>	<u>£54237</u>	<u>£3141</u>	<u>£ -</u>

Unless otherwise stated the Company owns the whole of the issued share capital of its subsidiary companies, all of which are incorporated in England and are as follows:-

Letchworth Accident Repair Centre Limited

G.E.H. Contract Hire Limited

G.E. Harper ( Specialist Cars ) Limited

E.C. Fleming and Son Limited

The Company also owns two of the one hundred ordinary shares of G.E.H. ( Lytton Way Motors ) Limited and under the Articles of Association has the power to appoint and remove the majority of its Board of Directors. G.E.H. ( Lytton Way Motors ) Limited owns 75 participating preference shares in G.E.H. ( Lytton Way ) Limited representing 75% of the equity share capital. The participating preference shares carry the right ( inter alia ) to receive a dividend in priority to all other shareholders in respect of any year where the profits of G.E.H. ( Lytton Way ) Limited after all expenses and taxation exceed £50,000.

Trading of both companies, G.E.H. ( Lytton Way Motors ) Limited and G.E.H. ( Lytton Way ) Limited, commenced after 30th September, 1976 and therefore no consolidation has been made in respect of them.

G. E. HARPER LIMITED

NOTES ON THE ACCOUNTS ( CONTINUED )

FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

12. PROFIT BEFORE TAXATION		
Is after charging:-	<u>1976</u>	<u>1975</u>
	<u>£</u>	<u>£</u>
Directors' remuneration ( note 14 ).	25416	25607
Loan interest	6705	6837
Auditors' remuneration	4510	3990
Bank interest and charges	25656	18991
Depreciation and amortisation	<u>30390</u>	<u>19488</u>
and after crediting:-		
Surplus on disposal of fixed assets	<u>£3323</u>	<u>£2106</u>

13. TAXATION ON PROFIT FOR YEAR		
	<u>1976</u>	<u>1975</u>
	<u>£</u>	<u>£</u>
United Kingdom corporation tax at 42%	2122	-
Transfer to Deferred Taxation	9465	11440
Prior year's adjustment	(118)	(90)
	<u>£11469</u>	<u>£11350</u>

The Company is a Close Company as defined for tax purposes;

14. DIRECTORS' REMUNERATION			
		<u>1976</u>	<u>1975</u>
		<u>£</u>	<u>£</u>
Chairman		<u>£9025</u>	<u>£9025</u>
Other Directors	<u>£</u>		
	0 - 2500	1	1
	5001 - 7500	1	1
	7501 - 10000	<u>1</u>	<u>1</u>

15. EXTRAORDINARY ITEM

This relates to the gain on the disposal of a freehold property less the corporation tax thereon.

16. CONTINGENT LIABILITIES

The Company has guaranteed the overdraft of four subsidiaries and one related company.

G. E. H. Contract Hire Limited	Letchworth Accident Repair Centre Limited
Harper Self-Drive Limited	G. E. Harper ( Specialist Cars ) Limited
E. C. Fleming and Son Limited	

to a maximum of £20,000 , £15,000 , £15,000 , £50,000 , and £10,000 respectively.