

DIAL CONTRACTS LIMITED

REPORT AND ACCOUNTS
FOR
THE YEAR ENDED
30th SEPTEMBER 1974

DELOITTE & CO.
CHARTERED ACCOUNTANTS

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DIAL CONTRACTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the accounts for the year ended 30th September 1974.

ACTIVITIES

The principal activity of the company continued to be the rental of motor vehicles on contract hire.

PROFIT AND APPROPRIATIONS

The company's profit for the year after taxation was £69,380. This has been added to retained profits brought forward of £88,764 making £158,144 from which the directors propose a dividend on the ordinary shares of £70,000 leaving £88,144 to be carried forward.

DIRECTORS DURING THE YEAR

P. Rodney Pollard - Chairman
H.A. Henderson - Managing
S.G. Errington
P.E. Howroyd - Appointed 5th March 1974

DIRECTORS' INTERESTS

Mr P. Rodney Pollard and Mr S.G. Errington are directors of the holding company and are not required to notify their interests to the company. Mr H.A. Henderson held no beneficial interest in the share capital or loan stock of Mercantile Credit Company Limited or any of its subsidiaries at 30th September 1973 or at 30th September 1974. Mr P.E. Howroyd held no such interest at the date of his appointment to the board or at 30th September 1974.

AUDITORS

The auditors, Messrs. Deloitte & Co., will be re-appointed in accordance with Section 159(2) of the Companies Act 1948.

By Order of the Board


Secretary

7/17 Ansde11 Street,
Kensington Square,
London W8

5th November 1974

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REPORT OF THE AUDITORS
TO THE MEMBERS OF DIAL CONTRACTS LIMITED

In our opinion, the accounts set out on pages 3 to 7 give a true and fair view of the state of the company's affairs at 30th September 1974 and of its profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

Schutte & Co.

Chartered Accountants

London

5th November 1974

DIAL CONTRACTS LIMITED

BALANCE SHEET 30th SEPTEMBER 1974

	<u>Notes</u>	<u>1974</u> £	<u>1973</u> £
FUNDS EMPLOYED			
SHARE CAPITAL			
Authorised, issued and fully paid 100 Ordinary shares of £1 each		100	100
RETAINED PROFITS		88,144	88,764
		88,244	88,864
DEFERRED TAXATION	1	807,686	716,608
LOANS AND OVERDRAFTS			
Loan from holding company		2,591,520	1,964,258
Bank overdraft		128,598	150,876
		2,720,118	2,115,134
		£3,616,048	£2,920,606
USE OF FUNDS			
FIXED ASSETS	1 & 2	5,776	4,456
CONTRACT HIRE FLEET	1 & 2	4,247,832	2,908,432
INTEREST IN SUBSIDIARY COMPANY	3	100,001	100,001
AMOUNT DUE FROM HOLDING COMPANY AND FELLOW SUBSIDIARIES		-	113,684
DEBTORS		207,348	142,715
		4,560,977	3,269,288
CURRENT LIABILITIES			
Creditors		192,966	91,586
Rentals received in advance		518,755	32,498
Amount owing to subsidiary company		143,208	134,598
Proposed dividend		70,000	90,000
		944,929	348,682
		£3,616,048	£2,920,606

M. J. Longman
M. J. Longman

Directors

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DIAL CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th SEPTEMBER 1974

	<u>Notes</u>	<u>1974</u> £	<u>1973</u> £
TURNOVER	4	<u>2,713,028</u>	<u>1,686,692</u>
PROFIT BEFORE TAXATION	1, 5 & 6	144,540	198,974
TAXATION AT 52% (1973 - 45%)	7	<u>75,160</u>	<u>89,762</u>
PROFIT FOR THE YEAR		69,380	109,212
RETAINED PROFITS AT 1st OCTOBER		<u>88,764</u>	<u>69,552</u>
		158,144	178,764
PROPOSED DIVIDEND		<u>70,000</u>	<u>90,000</u>
RETAINED PROFITS AT 30th SEPTEMBER		<u>£ 88,144</u>	<u>£ 88,764</u>

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NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER 1974

1. ACCOUNTING POLICIES

a. DEPRECIATION OF CONTRACT HIRE FLEET

Motor vehicles on contract hire are depreciated by equal annual instalments related to the relevant periods of hire.

b. DEPRECIATION OF FIXED ASSETS

Office furniture and equipment is depreciated at the rate of 15% per annum on the reducing balance method.

c. DEFERRED TAXATION

Deferred taxation is accounted for under the deferral method and represents the deferral of the taxation benefit received to the extent that capital allowances on fixed assets and the contract hire fleet exceed depreciation thereon.

2. FIXED ASSETS AND CONTRACT HIRE FLEET

	<u>Office furniture and equipment</u>	<u>Contract hire fleet</u>
	£	£
COST		
At 1st October 1973	7,534	3,946,887
Additions during year	2,923	3,033,675
Disposals during year	-	(1,532,500)
At 30th September 1974	<u>10,457</u>	<u>5,448,062</u>
DEPRECIATION		
At 1st October 1973	3,078	1,038,455
Amount provided	1,603	888,622
Eliminated in respect of disposals	-	(726,267)
At 30th September 1974	<u>4,681</u>	<u>1,200,210</u>
NET BOOK VALUES		
At 30th September 1974	<u>£ 5,776</u>	<u>£4,247,852</u>
At 30th September 1973	<u>£ 4,456</u>	<u>£2,908,432</u>

At 30th September 1974 commitments for the purchase of additions to the contract hire fleet amounted to £438,100 (1973 : £500,000).

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DIAL CONTRACTS LIMITED

NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER 1974 (continued)

3. INTEREST IN SUBSIDIARY COMPANY

	<u>1974</u>	<u>1973</u>
	£	£
Shares at cost, less amounts written off	1	1
Loan	100,000	100,000
	<u>£100,001</u>	<u>£100,001</u>

At 30th September 1974, the company held 5,000 Ordinary shares of £1 each of Ringwest Motors Limited, being the whole of the issued share capital of that company. Group accounts are not presented since the company is a wholly-owned subsidiary of another company incorporated in Great Britain.

In the opinion of the directors the value of the company's interest in its subsidiary, Ringwest Motors Limited, is not less than the amount at which it is stated in the balance sheet.

4. TURNOVER

Turnover represents the total amount receivable under agreements entered into during the year for the contract hire of motor vehicles.

5. PROFIT BEFORE TAXATION

This is arrived at after charging:

	<u>1974</u>	<u>1973</u>
	£	£
Interest payable		
Holding company	298,803	181,573
Bank overdraft	35,577	11,390
Depreciation of fixed assets	1,603	1,209
Depreciation of contract hire fleet	888,622	612,276
Auditors' remuneration	1,832	2,268
	<u>1,225,437</u>	<u>814,656</u>

6. DIRECTORS' EMOLUMENTS

	<u>1974</u>	<u>1973</u>
	£	£
Emoluments as executives	13,433	11,017

Analysis of directors' emoluments (excluding pension fund contributions):

Chairman	Nil	Nil
Highest paid director	10,058	10,517

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DIAL CONTRACTS LIMITED

NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER 1974 (continued)

6. DIRECTORS' EMOLUMENTS (continued)

Analysis of directors' emoluments (excluding
pension fund contributions):

Other directors

£Nil

within the range £2,501 - £5,000

Number

Number

1
1

1
-

7. TAXATION

1974

1973

Transfer to deferred taxation

£
81,470

£
89,762

Less: amount receivable from subsidiary company
in respect of tax appropriate to group
relief on part of the company's loss for
the year for taxation purposes

6,310

-

£75,160

£89,762

8. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Mercantile Credit Company Limited,
which is incorporated in Great Britain.

LIST OF DIRECTORSHIPS

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Chairman	Dial Coal Co. Ltd.	w
	Ringwest Motors Limited	w
Director	Astley Industrial Trust Limited	w
	British Steam Specialties Limited	n
	Business Credit Ltd.	n
	The Camden Group Limited	w
	The Equipment Trust Company Limited	w
	Fitzroy Finance Limited	n
	Manchester Auto Finance Limited	w
	Mercantile Credit Company Limited	n
	Mercantile Credit (Factors) Limited	n
	Mercantile Credit Finance Limited	n
	Mercantile Credit Investment Trust Ltd.	w
	Mercantile Credit Life Assurance Company Limited	w
	Mercantile Leasing Company Limited	n
	Mutual Finance Limited (formerly Sales Intermediate Credit Limited)	n
	Railcase Ltd.	w
	Surety Trust Limited	w
	The Standard Railway Wagon Co. Ltd.	w
	Valcar Finance Limited	n
	F. E. Weatherill Limited	n

w wholly-owned
n non wholly-owned

Stuart Gra t Errington,
Earleywood Lodge,
Bagshot Road,
South Ascot,
Berks.

Executive Director of
Mercantile Credit Company Limited

DIRECTORSHIPS

Companies (including non-wholly owned subsidiaries of Mercantile Credit Company Limited) incorporated in G.B.

n	Associated Property Owners Limited
w	Astley-Gaydon Motor Finance Limited
w	The Astley Industrial Trust Limited (Joint M.D.)
w	The Astley Leasing Company Limited
n	British Standard Association Limited
w	Byrom House Nominees Limited
w	Dial Contracts Limited
w	Fred Fishwick (Finance) Limited
n	Kingsway Hotels
n	Harley Houses Limited
n	Lazard Leasing Limited
n	Liverpool & Birkenhead House Property Investments Company
w	Mercantile Credit Acceptances Limited / Limited
n	Mercantile Leasing Company Limited (M.D.)
n	Palmeira Properties Limited
n	Property Holdings (Lancashire & Wirral) Limited
w	Railcase Limited
w	Ringwood Motors Limited
w	R. O. L. Finance Limited
w	The Standard Railway Wagon Company Limited
w	Tetley Investment Company Limited
n	United Association for the Protection of Trade Limited
n	White Marble Quarries Limited

Companies incorporated outside Great Britain

Mercantile Leasing Company of Ireland Limited	(Ire)
Independent Finance, A.B. Stockholm	
France-Rail, Paris	

Subsidiary companies of Mercantile Credit Company Limited are marked "w"
for wholly-owned

Other Companies (including non wholly-owned subsidiaries of Mercantile Credit Company Limited) are marked "n".