

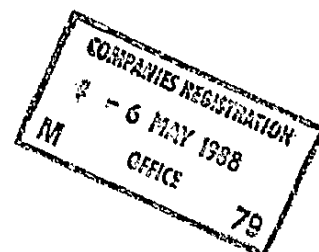
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LOOKERS OF DEWSBURY LIMITED

REPORT AND FINANCIAL STATEMENTS

30TH SEPTEMBER 1987

31



LOOKERS OF DEWSBURY LIMITED

DIRECTORS' REPORT

Year ended 30th September 1987

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30th September 1987.

1. Activities

The main activities of the company are the distribution, sale, hire and maintenance of motor vehicles including the sale of petrol, oil, spares and accessories.

2. Review of developments

The profit for the year before taxation amounted to £59,515 and is set out on page 6 of the financial statements.

Shareholders' equity increased to £202,381 due to the retained profit for the year amounting to £48,015.

3. Dividend

The directors do not recommend the payment of a dividend.

4. Directors

The following were directors of the company during the year:-

*Mr. W. K. Martindale

*Mr. A. S. Marston

* Directors of the ultimate holding company.

The directors have no interest in the shares of the company other than as shareholders in the ultimate holding company.

The shareholdings of Messrs. Martindale and Marston are shown in the financial statements of the ultimate holding company.

5. Fixed assets

The movements of fixed assets are shown in the notes to the financial statements on page 11.

Short leasehold land and buildings and plant and machinery were valued by Airey Entwistle & Co., Industrial Valuers, Manchester as at 30th September 1985 on an existing use basis. This revaluation showed an excess over book value at that date of £56,318.

The revaluation surplus detailed above has not been incorporated in the financial statements.

LOOKERS OF DEWSBURY LIMITED

DIRECTORS' REPORT (CONTINUED)

Year ended 30th September 1987

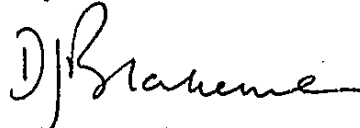
6. Taxation

As far as the directors are aware, the company is not a close company under the provisions of the Income and Corporation Taxes Act 1970.

7. Auditors

Touche Ross & Co. have expressed their willingness to continue in office and in accordance with Section 384 of the Companies Act 1985 their re-appointment will be proposed at the next Annual General Meeting.

By Order of the Board



D. J. BLAKEMAN

Secretary

11th February 1988

Touche Ross & Co.
Abbey House
(P.O. Box 500)
74 Mosley Street
Manchester M60 2AT
Telephone: National 061 228 3456
International +44 61 226 3456
Telex: 666040 TRMANR G
Telecopier (Gp. 3): 061 228 2021

 **Touche Ross**

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

of

LOOKERS OF DEWSBURY LIMITED

We have audited the financial statements on pages 4 to 14 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 1987 and of its profit for the year then ended and comply with the Companies Act 1985.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No.10. A group statement is detailed in the financial statements of the ultimate holding company.

Touche Ross & Co

TOUCHE ROSS & CO.

Chartered Accountants

11th February 1988

- 3 -

Aberdeen, Birmingham, Bracknell, Bristol, Cardiff, Chepstow, Crawley, Dartford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Luttenworth, Manchester, Milton Keynes, Newcastle upon Tyne, Newport, Plymouth, Swansea, and Wolverhampton

Principal place of business at which a list of partners' names is available.
Hill House, 1 Little New Street, London EC4A 3TR

Touche Ross International

LOOKERS OF DEWSBURY LIMITED

PRINCIPAL ACCOUNTING POLICIES

Year ended 30th September 1987

The principal accounting policies of the company are as follows:-

1. ACCOUNTING CONVENTION

The financial statements set out on pages 6 to 14 inclusive are prepared under the historical cost convention.

2. DEFERRED TAXATION

Deferred taxation is provided at the anticipated tax rate on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the future.

3. TANGIBLE FIXED ASSETS

The cost of short leasehold property is being amortised by equal instalments over the period of the lease.

Plant, fixtures, fittings, tools, equipment and motor vehicles are depreciated on a straight line basis at rates varying between 10% and 25% per annum over their estimated useful lives.

4. STOCKS AND STOCK DEPOSITS

Stocks are valued at the lower of cost and net realisable value.

At 30th September 1987 new vehicles were held on consignment from a finance company who, in turn, had deposited an equivalent amount with their supplier. These amounts are not included in the balance sheet of the company, but the amounts involved are disclosed in Note 16.

5. TURNOVER

Turnover represents total sales to third parties and other group companies excluding car tax on new vehicles and value added tax.

LOOKERS OF DEWSBURY LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Year ended 30th September 1987

6. TERMS OF TRADING

Vehicle sales are made on the basis that the title in the goods shall not pass to the purchaser until such time as payment has been received in full. However, the financial statements have been prepared on the basis that the ownership of the goods passes at the point of sale irrespective of the date of payment.

7. PENSION COSTS

Retirement benefits to employees are financed by contributions from the company and its employees. Payments are made to pension trusts which are financially separate from the company.

These payments, which are made in accordance with periodic calculations by consulting actuaries, are charged against the profits of the year in which they become payable.

LOOKERS OF DEWSBURY LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30th September 1987

		<u>1987</u>	<u>1986</u>
	<u>Note</u>	£	£
Turnover	1	5,425,559	7,176,793
Cost of sales		<u>4,886,642</u>	<u>6,632,880</u>
Gross profit		538,917	543,913
Operating costs	2	<u>428,252</u>	<u>382,784</u>
OPERATING PROFIT		110,665	161,129
Interest payable	3	<u>(51,150)</u>	<u>(73,301)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	59,515	87,828
Taxation on ordinary activities	5	<u>11,500</u>	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		48,015	87,828
Dividends		—	—
RETAINED PROFIT FOR THE YEAR TRANSFERRED TO PROFIT AND LOSS ACCOUNT		48,015	87,828

STATEMENT OF RETAINED PROFIT

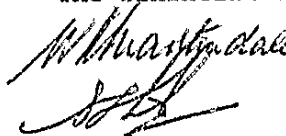
Retained profit brought forward	(105,634)	(193,462)
Retained profit for the year	<u>48,015</u>	<u>87,828</u>
Retained profit carried forward	<u>(57,619)</u>	<u>(105,634)</u>

LOOKERS OF DEWSBURY LIMITED

BALANCE SHEET - 30th September 1987

		<u>1987</u>		<u>1986</u>	
	<u>Note</u>	£	£	£	£
FIXED ASSETS					
Tangible assets	7		174,817		169,371
CURRENT ASSETS					
Stocks	8	321,715		397,736	
Debtors	9	296,878		358,123	
Cash at bank and in hand		<u>305</u>		<u>305</u>	
		618,898		756,164	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Bank overdraft	10	82,665		10,837	
Trade creditors		166,208		423,834	
Other creditors including taxation and social security	11	<u>321,790</u>		<u>322,331</u>	
		570,663		757,002	
NET CURRENT ASSETS/(LIABILITIES)			<u>48,235</u>		<u>(838)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			223,052		168,533
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	9,171		14,167	
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>11,500</u>	<u>20,671</u>	<u>-</u>	<u>14,167</u>
			202,381		154,366
CAPITAL AND RESERVES					
Called up share capital	14		260,000		260,000
Profit and loss account			<u>(57,619)</u>		<u>(105,634)</u>
			202,381		154,366

The financial statements were approved by the Directors on 11th February 1988


 W. K. MARTINDALE)
) Directors
 A. S. MARSTON)

LOOKERS OF DEWSBURY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Year ended 30th September 1987

1. TURNOVER

	<u>1987</u>	<u>1986</u>
	£	£
To external customers	5,361,990	7,123,147
To group companies	<u>63,569</u>	<u>53,646</u>
	<u>5,425,559</u>	<u>7,176,793</u>

2. OPERATING COSTS

Selling and distribution costs	283,112	303,010
Administration costs	222,372	220,256
Other operating income	<u>(77,232)</u>	<u>(140,482)</u>
	<u>428,252</u>	<u>382,784</u>

3. INTEREST PAYABLE

On loans repayable within five years

Bank interest	19,787	26,932
Hire purchase and other interest (including interest on vehicle stocking plans)	<u>31,363</u>	<u>46,369</u>
	<u>51,150</u>	<u>73,301</u>

LOOKERS OF DEWSBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30th September 1987

4. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION

	<u>1987</u>	<u>1986</u>
Includes:-	£	£
<u>Charges -</u>		
Directors' remuneration (Note 6)	-	18,075
Auditors' remuneration	5,100	5,059
Depreciation and other amounts written off tangible fixed assets	16,842	15,149
	<u> </u>	<u> </u>

5. (a) TAXATION ON ORDINARY ACTIVITIES

Taxation on the profit for the year		
Corporation tax at 35% (1986 37.5%)	-	-
Transfer to deferred taxation	<u>11,500</u>	<u> </u>
	<u>11,500</u>	<u> </u>

The taxation charge for the year has been reduced by £10,700 (1986 £34,300) in respect of accelerated capital allowances and other timing differences.

(b) DEFERRED TAXATION

The amounts of deferred taxation provided and unprovided in the financial statements is in accordance with the policy stated in Accounting Policy Note 2.

	<u>1987</u>		<u>1986</u>	
	<u>Amount provided</u>	<u>Amount unprovided</u>	<u>Amount provided</u>	<u>Amount unprovided</u>
	£	£	£	£
Capital expenditure allowances in excess of depreciation	14,200	-	15,200	-
Taxation losses	(2,700)	-	(15,200)	-
Taxation on deferred capital gains	<u> </u>	<u>9,900</u>	<u> </u>	<u>8,500</u>
	<u>11,500</u>	<u>9,900</u>	<u> </u>	<u>8,500</u>

There are taxation losses available to carry forward of £7,800 (1986 £74,000).

LOOKERS OF DEWSBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30th September 1987

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
(a) <u>Directors' remuneration</u>		
Executive remuneration	-	16,737
Pension contributions	-	<u>1,338</u>
	-	18,075
Emoluments of the chairman	-	-
Emoluments of the highest paid director	-	<u>18,075</u>
Number of other directors where emoluments fall within the following ranges		
£0 - £5,000	-	1
	<u>£</u>	<u>£</u>
(b) <u>Employee costs during the year</u>		
Wages and salaries	334,477	286,790
Social security costs	25,150	23,256
Other pension costs	<u>3,367</u>	<u>3,824</u>
	<u>362,994</u>	<u>313,870</u>
Average number employed during the year:-		
Productive	7	8
Selling and distribution	34	35
Administration	<u>4</u>	<u>4</u>
	<u>45</u>	<u>47</u>

LOOKERS OF DEWSBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30th September 1987

7. TANGIBLE ASSETS

	<u>Short leasehold property</u>	<u>Plant & machinery</u>	<u>Fixtures fittings tools & equipment</u>	<u>Total</u>
	£	£	£	£
Cost				
At 1st October 1986	144,719	60,867	38,358	243,942
Additions -				
Group companies	-	-	945	945
Other	16,683	533	4,994	22,210
Disposals -				
Group companies	-	-	(945)	(945)
Other	-	-	-	-
At 30th September 1987	161,402	61,400	43,350	266,152
Depreciation				
At 1st October 1986	21,197	31,590	21,784	74,571
Transferred from				
group companies	-	-	867	867
Charge for the year	5,230	7,026	4,586	16,842
Disposals -				
Group companies	-	-	(945)	(945)
Other	-	-	-	-
At 30th September 1987	26,427	38,616	26,292	91,335
Net book value				
At 30th September 1987	134,975	22,784	17,058	174,817
At 30th September 1986	123,522	29,277	16,572	169,371
			<u>1987</u>	<u>1986</u>
			£	£
<u>Future capital expenditure</u>				
Contracted but not provided in the financial statements			25,000	-
Authorised but not contracted for			-	-
			<u>25,000</u>	<u>-</u>

LOOKERS OF DEWSBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30th September 1987

8. STOCKS

	<u>1987</u>	<u>1986</u>
	£	£
Goods for resale	321,656	397,183
Work-in-progress	<u>59</u>	<u>553</u>
	<u>321,715</u>	<u>397,736</u>

9. DEBTORS

Amounts due within one year

Trade debtors	225,141	295,569
Amounts owed by group companies	33,579	15,573
Other debtors	27,164	23,018
Prepayments and accrued income	<u>10,994</u>	<u>23,963</u>
	<u>296,878</u>	<u>358,123</u>

10. BANK OVERDRAFT

The company's bank account with Lloyds Bank PLC is part of a joint account with certain group companies. As a result of this arrangement the company is jointly and severally liable for the joint overdraft, which amounted to £946,058 at 30th September 1987 (1986 £724,398).

11. OTHER CREDITORS INCLUDING TAXATION
AND SOCIAL SECURITY

	<u>1987</u>	<u>1986</u>
	£	£
Amounts due within one year:-		
Amounts owed to group companies	248,815	247,539
Taxation and social security	26,088	15,722
Hire purchase creditor	5,000	5,000
Other creditors	13,054	22,245
Accruals and deferred income	<u>28,833</u>	<u>31,825</u>
	<u>321,790</u>	<u>322,331</u>

LOOKERS OF DEWSBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30th September 1987

12. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

	<u>1987</u>	<u>1986</u>
	£	£
Hire purchase creditors	9,171	14,167
	<u> </u>	<u> </u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	11,500	-
	<u> </u>	<u> </u>

Full details of the deferred taxation provision can be found in note 5(b).

14. CALLED UP SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
	£	£
Authorised, allotted and fully paid		
Ordinary shares of £1 each	260,000	260,000
	<u> </u>	<u> </u>

15. HOLDING COMPANY

The company's ultimate holding company is Lookers plc, incorporated in Great Britain.

LOOKERS OF DEWSBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30th September 1987

16. CONTINGENT LIABILITIES

- (a) In the normal course of business the company holds vehicles on consignment from a finance company who in turn have deposited an equivalent amount with their supplier. The amount financed at 30th September 1987 amounted to £428,120 (1986 £638,774) for which the company is contingently liable if the terms of the agreement are not complied with. In the event of liability arising title to the vehicles would pass to the company. This liability has been underwritten by a guarantee given by Braid Group Limited.
- (b) The company is a charging subsidiary under a trust deed securing £600,000 9% Debenture Stock 1986/91 of Braid Group Limited. At 30th September 1987 the amount of 9% Debenture Stock 1986/91 of Braid Group Limited still outstanding was £225,279 (1986 £234,279).