

915008

47

GUY SALMON (SERVICE) LIMITED

**BALANCE SHEET
AND
ACCOUNTS**

YEAR ENDED 31 JULY 1983

MENZIES MIDDLETON HAWKINS & CO.

Chartered Accountants

KINGSTON UPON THAMES

WALTON-ON-THAMES

WEYBRIDGE

WOKING



GUY SALMON SERVICE LIMITED

REPORT AND FINANCIAL STATEMENTS

31 JULY 1983

Pages

1-2	Directors' report
3	Auditors' report
4	Balance sheet
5	Profit and loss account
6	Statement of source and application of funds
7-13	Notes to the financial statements



GUY SALMON SERVICE LIMITED**DIRECTORS' REPORT****CHAIRMAN**

G.F. Salmon

DIRECTORSR.G. Salmon
M. Buckingham
A. Wilding**SECRETARY**

R.G. Salmon

REGISTERED OFFICEPortsmouth Road,
Thames Ditton,
Surrey**REGISTERED NUMBER**

915008

FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements of the company for the year ended 31 July 1983.

DIVIDENDS

The directors propose the payment of a dividend of £500,000 (1982 - £ Nil). The balance of profit is to be transferred to reserves.

REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of motor vehicle renters.

During the year the company opened four further rental outlets contributing to the increase in turnover and profitability of the company.

FUTURE DEVELOPMENTS

The company intends to expand its business in the future through the establishment of further rental outlets and during 1984 the directors expect a further increase in turnover and profitability as a result.

FIXED ASSETS

The movements in fixed assets are as shown in the notes to the financial statements.

POST BALANCE SHEET EVENT

The company purchased certain assets and the trade of a competitor car rental company in December 1983.

GUY SALMON SERVICE LIMITED
DIRECTORS' REPORT (Continued)

DIRECTORS

The directors of the company throughout the year were as detailed on page 1.

DIRECTORS' INTERESTS

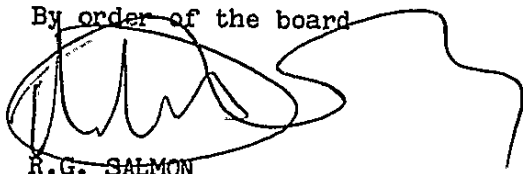
No director had any beneficial interest in any shares of the company.

The directors' interests in the share capital of the holding company, Guy Salmon Limited, are disclosed in those financial statements.

AUDITORS

Messrs. Menzies Middleton Hawkins & Co. have expressed their willingness to continue in office as auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their re-appointment will be submitted to the annual general meeting.

By order of the board

A large, stylized handwritten signature in black ink, appearing to be 'R.G. Salmon', written over the typed name.

R.G. SALMON

Secretary


5 March 1984

REPORT OF THE AUDITORS**TO THE MEMBERS OF GUY SALMON SERVICE LIMITED**

We have audited the financial statements set out on pages four to thirteen in accordance with approved auditing standards. These statements have been prepared under the historical cost convention.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 July 1983 and of the profit and source and application of funds for the year ended on that date, and comply with the Companies Acts 1948 to 1981.

Woking
Surrey

Menzies Middleton Hawkins 
MENZIES MIDDLETON HAWKINS & CO.
Chartered Accountants

5 March 1984

GUY SALMON SERVICE LIMITED

4.

BALANCE SHEET

31 JULY 1983

		1983		1982	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible	2		3,339,731		2,822,789
CURRENT ASSETS					
Debtors	3	1,207,716		834,850	
Bank balances and cash		61,840		36,684	
		1,269,556		871,534	
CREDITORS: amounts falling due within one year	4	2,530,413		1,747,996	
NET CURRENT LIABILITIES			1,260,857		876,462
TOTAL ASSETS LESS CURRENT LIABILITIES			2,078,874		1,946,327
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	5		1,100,000		1,106,364
			978,874		839,963
CAPITAL AND RESERVES					
Called up share capital	6	250,000		250,000	
Profit and loss account	7	728,874		589,963	
			978,874		839,963

Approved by the Board of Directors on 5 March 1984

DIRECTORS

G.F. SALMON

R.G. SALMON

GUY SALMON SERVICE LIMITED

5.

PROFIT AND LOSS ACCOUNT**YEAR ENDED 31 JULY 1983**

		1983	1982
	Notes	£	£
TURNOVER	8	4,341,598	3,039,701
Cost of sales		2,215,482	1,684,960
GROSS PROFIT		2,126,116	1,354,741
Administrative expenses		1,389,144	874,481
OPERATING PROFIT		736,972	480,260
Interest	10	104,425	34,114
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	632,547	446,146
Tax on profit on ordinary activities	11	6,364	(212,896)
PROFIT AFTER TAXATION		638,911	233,250
Dividend	12	500,000	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		138,911	233,250

GUY SALMON SERVICE LIMITED

6.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 JULY 1983

	1983		1982	
	£	£	£	£
SOURCE OF FUNDS				
Profit on ordinary activities before taxation		632,547		446,146
Items not involving the movement of funds:				
Depreciation	551,478		493,870	
Loss on disposal of fixed assets	126,801		145,213	
		678,279		639,083
TOTAL GENERATED FROM OPERATIONS		1,310,826		1,085,229
FUNDS FROM OTHER SOURCES				
Sales of tangible assets	2,499,756		1,552,850	
Receipt from fellow subsidiary in respect of corporation tax losses surrendered	-		28,153	
		2,499,756		1,581,003
		3,810,582		2,666,232
APPLICATION OF FUNDS				
Purchase of tangible assets		3,694,977		3,166,672
		115,605		(500,440)
INCREASE(DECREASE) IN WORKING CAPITAL				
Debtors	372,866		329,648	
Intra group balances	9,914		(163,840)	
Loans	(250,000)		(432,922)	
Creditors	(148,294)		(137,437)	
		(15,514)		(404,551)
MOVEMENT IN NET LIQUID FUNDS				
Net cash and bank balances		131,119		(95,889)
		115,605		(500,440)

GUY SALMON SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 1983

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention.

b) Goodwill

Goodwill is written off against distributable reserves in the year in which it arises.

c) Deferred taxation

Provision is made on the liability method at 52% for taxation deferred by way of accelerated capital allowances and short-term timing differences in so far as the directors consider that a tax liability may crystallise in the foreseeable future.

d) Depreciation

Depreciation is charged on the tangible assets other than freehold property at the following rates, which are expected to reduce the assets to their net realisable values over their estimated useful lives

Leasehold premises	25% per annum on net book values
--------------------	----------------------------------

Plant, fixtures and fittings	20% per annum on net book value
------------------------------	---------------------------------

Motor vehicles for hire to the public	At such a rate that will write the assets down to their net realisable values by the end of their useful lives
---------------------------------------	--

No depreciation is provided on freehold buildings as the directors consider to do so would be misleading.

e) Turnover

Turnover is calculated net of value added tax and trade discounts and represents the invoiced value of goods sold and services supplied during the year.

f) Finance leases

Amounts paid in respect of finance leases for motor vehicles are charged in the financial statements when paid. Commissions due to the company in respect of the disposal of motor vehicles previously leased are matched with the relevant lease settlement amount.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1983

2. TANGIBLE ASSETS

Movements during the year are summarised as follows:

	Freehold land and Buildings	Leasehold Property	Plant, Fixtures and Fittings	Motor Vehicles	Total
	£	£	£	£	£
COST					
1 August 1982	34,600	45,097	90,182	3,329,312	3,499,191
Additions	-	30,077	87,339	3,577,561	3,694,977
Disposals	-	-	-	(3,177,573)	(3,177,573)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 July 1983	34,600	75,174	177,521	3,729,300	4,016,595
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
1 August 1982	-	20,693	43,812	611,897	676,402
Charged	-	13,620	26,742	511,116	551,478
Released on disposals	-	-	-	(551,016)	(551,016)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 July 1983	-	34,313	70,554	571,997	676,864
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
31 July 1982	34,600	24,404	46,370	2,717,415	2,822,789
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 July 1983	34,600	40,861	106,967	3,157,303	3,339,731
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1983

3. DEBTORS

	1983	1982
	£	£
Trade debtors	1,069,840	785,842
Other debtors	111,138	23,684
Prepayments and accrued income	26,738	25,324
	<hr/>	<hr/>
	1,207,716	834,850
	<hr/>	<hr/>

All amounts included above are receivable within one year of the balance sheet date.

4. CREDITORS: amounts falling due within one year

	1983	1982
	£	£
Loan	950,000	700,000
Bank overdraft	241,780	347,743
Trade creditors	134,692	154,927
Dividends payable	500,000	-
Other taxes and social security costs	129,989	93,632
Other creditors	249,204	119,334
Accruals	5,716	3,414
Amounts owed to fellow subsidiary company	64,148	81,313
Amounts owed to holding company	254,884	247,633
	<hr/>	<hr/>
	2,530,413	1,747,996
	<hr/>	<hr/>

The bank overdraft is secured by cross guarantees from other group companies.

The loan is secured by floating charges over the company's assets and is repayable on demand.

On 16 August 1983 the loan was repaid and a new loan was taken out, secured on freehold property and by a first and second charges over all other assets, repayable on demand, with interest at 1% above Finance House base rate due quarterly commencing 30 September 1983.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1983

5. DEFERRED TAXATION

	PROVISION		FULL POTENTIAL LIABILITY	
	1983	1982	1983	1982
	£	£	£	£
Accelerated capital allowances	1,100,000	1,106,364	1,512,911	1,106,364

The provision for deferred taxation at 31 July 1983 of £1,100,000 represents the directors estimate of the tax that may become payable within the foreseeable future. In previous years the full potential liability was included in the balance sheet as a provision but due to the company's policy of continued investment in assets attracting first year allowances the directors consider it prudent to release a part of the full potential liability to the profit and loss account and consequently no additional deferred taxation has been provided this year. The movement in the deferred taxation provision between the balance at the beginning and end of the year represents a transfer to the profit and loss account.

6. SHARE CAPITAL

	1983	1982
	£	£
Authorised, issued and fully paid 250,000 ordinary shares of £1 each	250,000	250,000

On 29 November 1983 the authorised share capital was increased to £1,000,000 by the creation of £750,000 ordinary £1 shares.

7. PROFIT AND LOSS ACCOUNT

	1983	1982
	£	£
Balance at beginning of year	589,963	356,713
Retained profit for the financial year	138,911	233,250
Balance at end of year	728,874	589,963

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1983

8. TURNOVER AND PROFIT

Turnover and profit is derived from the activity of the company as motor vehicle renters.

	1983	1982
	£	£
Profit is stated after charging:		
Auditors' remuneration	7,000	6,000
Depreciation	551,478	493,870
Loss on disposal of tangible assets	126,801	145,213
Directors emoluments (See note 9)	84,164	51,175
Hire of motor vehicles	505,480	572,108
and after crediting:		
Commission on disposal of motor vehicles	320,878	453,354
	<u>320,878</u>	<u>453,354</u>

9. DIRECTORS EMOLUMENTS (Excluding pension contributions)

The emoluments of the chairman amounted to £ Nil (1982 - £ Nil).

The emoluments of the highest paid director amounted to £41,219 (1982 - £23,084).

The emoluments of the other directors fell within the ranges:

	1983	1982
	No.	No.
£10,001 to £15,000	-	1
£15,001 to £20,000	1	1
£25,001 to £30,000	1	-
	<u>1</u>	<u>1</u>

10. INTEREST

	1983	1982
	£	£
Payable on bank overdrafts and other loans repayable within 5 years, otherwise than by instalments	104,425	38,609
Received	-	(4,495)
	<u>104,425</u>	<u>34,114</u>

GUY SALMON SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1983

11. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1983	1982
	£	£
Transfer from(to) deferred taxation	6,364	(241,049)
Receipt from fellow subsidiary in respect of corporation tax losses surrendered	-	28,153
	<u>6,364</u>	<u>(212,896)</u>

The tax on profits on ordinary activities has been reduced by £353,624 (1982 - £ Nil) due to accelerated capital allowances and losses brought forward from previous years.

12. DIVIDEND

The dividend is payable to the holding company and accordingly no provision has been made for Advance Corporation Tax.

13. EMPLOYEES

Staff costs recharged from a fellow subsidiary company amounted to £997,363 (1982 - £695,669).

14. CONTINGENT LIABILITIES

The company has guaranteed the bank overdrafts and other loans of the parent company and certain fellow subsidiary companies.

15. CAPITAL COMMITMENTS

At 31 July 1983 the directors had authorised future capital expenditure as follows:

	1983	1982
	£	£
Contracted	Nil	Nil
Not contracted	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

16. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Guy Salmon Limited, a company incorporated in England.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1983

17 OTHER COMMITMENTS

Under the terms of certain leases for the hire of motor vehicles an amount of £971,227 is payable after the balance sheet date over a period not exceeding four years. However, in the opinion of the directors, rebates of leasing payments, receivable when the vehicles are sold, will materially offset the total commitment noted above.