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GUY SALMON (SERVICE) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 JULY 1981

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GUY SALMON (SERVICE) LIMITED

DIRECTORS' REPORT

CHAIRMAN	G.F. Salmon
DIRECTORS	R.G. Salmon M. Buckingham A. Wilding
SECRETARY	R.G. Salmon
REGISTERED OFFICE	Portsmouth Road Thames Ditton Surrey
REGISTERED NUMBER	915008

ACCOUNTS AND DIVIDENDS

The directors submit their report and the audited financial statements for the year ended 31 July 1981.

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors who served during the year and their interests in the ordinary shares of the holding company were as follows

	31.7.81	31.7.80
G.F. Salmon	189,233	189,233
R.G. Salmon	120,398	120,398
M. Buckingham	Nil	Nil

A. Wilding was appointed to the board on 14 February 1982.

FIXED ASSETS

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

EXPORTS

No services were exported during the year (1980 - £Nil).

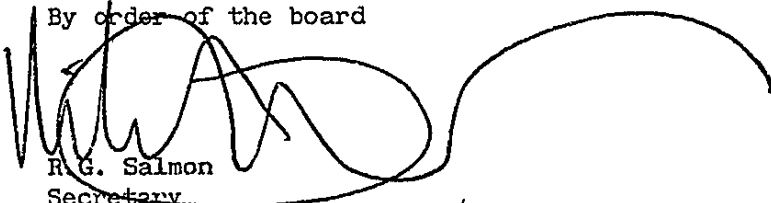
GUY SALMON (SERVICE) LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

Messrs. Menzies Middleton Hawkins & Co. have expressed their willingness to continue in office and 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



R.G. Salmon
Secretary

3 February 1983

REPORT OF THE AUDITORS TO THE MEMBERS OF
GUY SALMON (SERVICE) LIMITED

We have audited the financial statements set out on pages four to ten 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 1981 and of the profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981, in so far as the provisions of those Acts apply to these financial statements.

3 February 1983

Woking
Surrey

Menzies Middleton Hawkins 56
MENZIES MIDDLETON HAWKINS & CO.
Chartered Accountants

GUY SALMON (SERVICE) LIMITED

BALANCE SHEET

31 JULY 1981

	Notes	1981 £	1980 £
FIXED ASSETS	2	1,848,050	1,622,994
CURRENT ASSETS			
Debtors and prepayments		505,202	391,606
Due from fellow subsidiary company		-	804
Bank and cash		19,556	5,162
		<u>524,758</u>	<u>397,572</u>
CURRENT LIABILITIES			
Creditors and accruals		233,870	360,891
Due to holding company		125,278	16,562
Due to fellow subsidiary company		39,828	-
Bank overdraft	4	234,726	321,697
		<u>633,702</u>	<u>699,150</u>
NET CURRENT LIABILITIES		(108,944)	(301,578)
		<u>1,739,106</u>	<u>1,321,416</u>
Financed by			
SHARE CAPITAL	5	250,000	250,000
RESERVES	6	356,713	293,444
SHAREHOLDERS' FUNDS		606,713	543,444
DEFERRED TAXATION	7	865,315	765,093
		1,472,028	1,308,537
LOANS	10	267,078	12,879
		<u>1,739,106</u>	<u>1,321,416</u>

G.F. Salmon

DIRECTORS

R.G. Salmon

3 February 1983

GUY SALMON (SERVICE) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 1981

	Notes	1981 £	1980 £
Rentals receivable		<u>2,292,659</u>	<u>1,964,769</u>
PROFIT BEFORE TAXATION		153,415	120,290
After charging			
Auditors' remuneration		5,750	5,000
Bank interest		6,851	9,998
Depreciation etc.		444,664	471,070
Directors' emoluments	8	40,621	29,234
Interest on loans repayable within five years		9,651	71,569
Leasing costs		<u>304,312</u>	<u>89,880</u>
And after crediting			
Interest received		<u>6,828</u>	<u>-</u>
TAXATION	3	<u>90,146</u>	<u>66,518</u>
RETAINED PROFIT FOR THE YEAR	6	<u>63,269</u>	<u>53,772</u>

GUY SALMON (SERVICE) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 JULY 1981

	1981	1980
	£	£
SOURCE OF FUNDS		
Profit before taxation	153,415	120,290
Item not involving the movement of funds		
Depreciation etc.	444,664	471,070
TOTAL GENERATED FROM OPERATIONS	598,079	591,360
FUNDS FROM OTHER SOURCES		
Sale of fixed assets	1,265,615	1,860,954
Receipt from fellow subsidiary in respect of Corporation tax losses surrendered by group relief	10,076	—
	<u>1,275,691</u>	<u>1,860,954</u>
	1,873,770	2,452,314
APPLICATION OF FUNDS		
Purchase of fixed assets	1,935,335	1,873,964
	<u>(61,565)</u>	<u>578,350</u>
INCREASE (DECREASE) IN WORKING CAPITAL		
Debtors and prepayments	113,596	89,695
Inter-group loan accounts	(149,348)	(72,211)
Creditors and accruals	127,021	(98,143)
Loans	<u>(254,199)</u>	<u>1,002,017</u>
	(162,930)	921,358
MOVEMENT IN NET LIQUID FUNDS		
Net cash and bank balances	101,365	(343,008)
	<u>(61,565)</u>	<u>578,350</u>

GUY SALMON (SERVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 1981

1. ACCOUNTING POLICIES

a) Accounting convention

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

b) Deferred taxation

Provision has been made at 52% for taxation deferred by way of accelerated capital allowances and short-term timing differences.

No provision is made for corporation tax on capital gains which may arise should assets be sold in excess of their original cost.

c) Depreciation

Depreciation is charged on the fixed 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

Fixtures and fittings
Motor vehicles

20% per annum on written down value
on the difference between cost and
a balance sheet valuation, if less
than cost

Expenditure on leasehold
premises

25% per annum on written down values
(previously in equal instalments over
the remaining life of the lease)

Profits and losses on the disposal of fixed assets are included in the depreciation charge for the year.

d) Rentals receivable

Rentals receivable are calculated net of value added tax and represent the total amount receivable by the company in respect of the hire of motor vehicles.

GUY SALMON (SERVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1981

2. FIXED ASSETS

Movements during the year are summarised as follows

	Total £	Freehold Land £	Expenditure on Leasehold Premises £	Motor Vehicles £	Fixtures and Fittings £
COST					
1 August 1980	2,123,702	17,100	17,782	2,039,346	49,474
Additions	1,935,335	-	19,868	1,904,213	11,254
Disposals	(1,690,139)	-	-	(1,689,584)	(555)
31 July 1981	<u>2,368,898</u>	<u>17,100</u>	<u>37,650</u>	<u>2,253,975</u>	<u>60,173</u>
DEPRECIATION					
1 August 1980	500,708	-	4,195	471,119	25,394
Charged	479,062	-	8,364	463,720	6,978
Released on disposals	(458,922)	-	-	(458,811)	(111)
31 July 1981	<u>520,848</u>	<u>-</u>	<u>12,559</u>	<u>476,028</u>	<u>32,261</u>
NET BOOK VALUE					
1 August 1980	<u>1,622,994</u>	<u>17,100</u>	<u>13,587</u>	<u>1,568,227</u>	<u>24,080</u>
31 July 1981	<u>1,848,050</u>	<u>17,100</u>	<u>25,091</u>	<u>1,777,947</u>	<u>27,912</u>

3. TAXATION

a) Taxation based upon current profits

	1981 £	1980 £
Receipt from fellow subsidiary in respect of corporation tax losses surrendered by group relief	(10,076)	-
Transfer to deferred taxation	100,222	66,518
As per profit and loss account	<u>90,146</u>	<u>66,518</u>

b) No liability to corporation tax arises in respect of the profits for the year.

c) The company is a 'close' company under the Income and Corporation Taxes Act 1970.

GUY SALMON (SERVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1981

4. BANK OVERDRAFT

The bank overdraft is secured by cross guarantees from all group companies and by a floating debenture over the assets of the company.

5. SHARE CAPITAL

The authorised and issued share capital of the company consists of 250,000 ordinary shares of £1 each, fully paid.

6. RESERVES

The company's reserves are as follows

	1981 £	1980 £
RETAINED PROFIT		
At 1 August 1980	293,444	239,672
Retained profit for the year	63,269	53,772
At 31 July 1981	<u>356,713</u>	<u>293,444</u>

7. DEFERRED TAXATION

	1981 £	1980 £
At 1 August 1980	765,093	698,575
Transfer from profit and loss account	100,222	66,518
As per balance sheet	<u>865,315</u>	<u>765,093</u>

The balance as at 31 July 1981 is entirely in respect of accelerated capital allowances.

8. DIRECTORS' EMOLUMENTS

The emoluments of the chairman for the financial year were £Nil (1980 - £Nil).

The emoluments of the highest paid director for the financial year were £23,371 (1980 - £15,484), including pension contributions £1,644; (1980 - £1,644).

The emoluments of the other director fell in the following range

	1981	1980
£10,001 to £15,000 p.a.	-	1
£15,001 to £20,000 p.a.	1	-

GUY SALMON (SERVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 JULY 1981

9. HOLDING COMPANY

Guy Salmon (Service) Limited is a wholly owned subsidiary of Guy Salmon Limited which is a company registered in the United Kingdom and incorporated in England.

10. LOANS

	1981 £	1980 £
Repayable within five years		
a) Directors loan, interest free, repayable on demand	17,078	11,379
b) Other unsecured loans, repayable on demand	-	1,500
c) Loans secured by floating charges over the company's assets or those of the holding company and fellow subsidiary	250,000	-
	<u>267,078</u>	<u>12,879</u>

11. CAPITAL COMMITMENTS

Capital expenditure to the value of £255,643 has been contracted for but not provided for in these financial statements (1980 - £9,156) and capital expenditure of £Nil has been authorised but not contracted or provided for in these financial statements (1980 - £14,342).

12. COMPANIES ACT 1981

The company is not yet required to comply with the accounting and disclosure provisions of Part 1 of the Companies Act 1981. The financial statements of the company are drawn up in accordance with Section 149A of and Schedule 8A to the Companies Act 1948.