

Chelmsford Motors Limited

Directors' report and financial statements

For the 15 months ended 31 December 1994

Registered number 1273312



Chelms Hill Motors Limited

Directors' report and financial statements

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Chelms Hill Motors Limited

Directors' report

The directors have pleasure in submitting their report and financial statements for the 15 months ended 31 December 1994.

Principal activities

The principal activities of the company during the period were the distribution of motor vehicles together with related activities.

Business review

The state of the company's affairs and its trading result for the period are as shown in the accompanying financial statements.

On 5 July 1994 the then ultimate holding company, Davenport Vernon PLC, was acquired by Evans Halshaw Holdings plc.

At 31 December 1994 the trade and assets and liabilities of the company were transferred to Evans Halshaw Motors Limited.

Results and dividends

The directors do not recommend the payment of a dividend for the period (*30 September 1993: £Nil*).

The retained loss for the period of £50,769 (*30 September 1993: profit of £36,512*) is to be appropriated from reserves.

Fixed assets

A summary of the changes in fixed assets is given in note 6 to the financial statements.

Directors and directors' interests

The directors who held office during the period were as follows:

DJ Baker (Chairman)	
MR Bennett	(resigned 17 October 1994)
PW Bundock	(resigned 20 September 1994)
AG Dale	(appointed 20 September 1994)
AB Archer	(appointed 1 November 1994)

No director had any interest in the shares of the company at any time during the period.

Mr AG Dale and Mr AB Archer are directors of the ultimate parent undertaking, Evans Halshaw Holdings plc, and their interests in the shares of the group undertakings are disclosed in the financial statements of that company.

Chelms Hill Motors Limited

Directors' report (continued)

The interest of the other director holding office at the end of the financial period in the shares of group undertakings was as follows:

	At end of period (ordinary shares of 25p) Beneficial	At 5 July 1994 (ordinary shares of 25p) Beneficial
Shares in Evans Halshaw Holdings plc		
DJ Baker	28,403	28,403

For the remainder of the financial period the above interest was held in an equivalent amount of Davenport Vernon PLC 10p ordinary shares.

Directors' insurance

The company maintains an insurance policy providing an indemnity for directors of the ultimate parent undertaking, to the extent permitted by law, against liabilities arising from negligence, default or breach of trust in relation to the company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

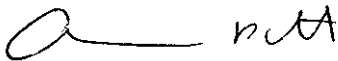
Chelms Hill Motors Limited

Directors' report (continued)

Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



AJ Pitt
Secretary

4 Highlands Court
Cranmore Avenue
Shirley
Solihull
West Midlands
B90 4LE

1 September 1995



2 Cornwall Street
Birmingham
B3 2DL

Auditors' report to the members of Chelmsford Motors Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on pages 2 and 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

K P A V

Chartered Accountants
Registered Auditors

1 September 1995



Chelms Hill Motors Limited

Profit and loss account

for the 15 months ended 31 December 1994

	Note	15 months ended 31 December 1994 £	Year ended 30 September 1993 £
Turnover		8,975,249	5,765,500
Cost of sales		(8,253,520)	(5,059,147)
Gross profit		721,729	706,353
Distribution costs		(452,431)	(368,550)
Administrative expenses		(275,874)	(257,880)
Operating (loss)/profit	<i>1</i>	(6,576)	79,923
Interest payable and similar charges	<i>4</i>	(62,803)	(43,411)
(Loss)/profit on ordinary activities before taxation		(69,379)	36,512
Tax on (loss)/profit on ordinary activities	<i>5</i>	18,610	-
(Loss)/profit on ordinary activities after taxation and retained (loss)/profit for the financial period	<i>12</i>	(50,769)	36,512

The company has no recognised gains or losses (30 September 1993: £Nil) other than those reflected in its profit and loss account.

Historical cost (loss)/profit is not materially different from the reported (loss)/profit.

Movements in shareholders' funds are shown in note 13.

The results disclosed above all relate to discontinued operations following the transfer of the company's trade on 31 December 1994.

Chelmhill Motors Limited

Balance sheet at 31 December 1994

	Note	31 December 1994		30 September 1993	
		£	£	£	£
Fixed assets					
Tangible assets	6	-	-	68,894	
Current assets					
Stocks	7	-	-	303,891	
Debtors	8	-	-	167,892	
Cash at bank and in hand		-	-	453	
				<u>472,236</u>	
Creditors: Amounts falling due within one year	9	-	-	(580,968)	
Net current liabilities			-	(108,732)	
Total assets less current liabilities			-	(39,838)	
Creditors: Amounts falling due after more than one year	10	(90,607)		-	
Net liabilities		(90,607)		(39,838)	
Capital and reserves					
Called up share capital	11	10,000		10,000	
Revaluation reserve	12	-		1,425	
Profit and loss account	12	(100,607)		(51,263)	
Shareholders' funds		(90,607)		(39,838)	

These financial statements were approved by the board of directors on 1 September 1995 and were signed on its behalf by:



AG Dale
Director

Chelms Hill Motors Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings and have been prepared in accordance with applicable Accounting Standards.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

The requirements of FRS 5 have not been adopted as the only adjustments required would be in respect of the comparative figures.

The financial statements have been prepared on a going concern basis which assumes that continued financial support will be available from other group undertakings.

Turnover

Turnover comprises amounts invoiced to customers excluding value added tax and car tax and relates wholly to the United Kingdom.

Depreciation

Depreciation is provided on the cost or valuation less estimated residual value of tangible fixed assets in equal annual instalments over their expected useful life as follows:

Leasehold improvements	- over the term of the lease
Plant and equipment	- 12½ % to 33½ % per annum
Motor vehicles	- 25 % per annum

Land is not depreciated.

Prior to the acquisition of the company by Evans Halshaw Holdings plc freehold buildings were not depreciated.

Stocks

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

Deferred taxation

Deferred taxation, arising on differences between the treatment of certain items for accounting and taxation purposes, is accounted for to the extent that a liability or an asset is expected to crystallise within the foreseeable future.

Chelms Hill Motors Limited

Notes

(forming part of the financial statements)

1 Operating (loss)/profit

	15 months ended 31 December 1994 £	Year ended 30 September 1993 £
<i>Operating (loss)/profit is stated after charging:</i>		
Directors' emoluments:		
Management of the company	-	46,143
Pension contributions	-	2,938
Auditors' remuneration	5,500	3,650
Depreciation	33,875	29,003
	<u>33,875</u>	<u>29,003</u>

2 Directors' emoluments

The emoluments (excluding pension contributions) of the chairman amounted to £Nil (30 September 1993: £Nil) and those of the highest paid director to £Nil (30 September 1993: £46,143).

The number of directors whose emoluments, excluding pension contributions, fell in each £5,000 bracket was as follows:

	31 December 1994 Number	30 September 1993 Number
£0 - £ 5,000	5	2
£45,001 - £50,000	-	1
	<u>5</u>	<u>3</u>

Chelms Hill Motors Limited

Notes (continued)

3 Staff numbers and costs

The average number of persons (including directors) employed by the company during the period was 25 (30 September 1993: 24).

The aggregate payroll costs of these persons were as follows:

	15 months ended 31 December 1994 £	Year ended 30 September 1993 £
Wages and salaries	328,807	253,475
Social security costs	26,569	22,041
Other pension costs	9,558	9,895
	<u>364,934</u>	<u>285,411</u>

4 Interest payable and similar charges

	15 months ended 31 December 1994 £	Year ended 30 September 1993 £
Bank overdraft	45,238	5,081
Group loans	-	27,747
Stock financing charges	17,565	10,583
	<u>62,803</u>	<u>43,411</u>

5 Tax on (loss)/profit on ordinary activities

	15 months ended 31 December 1994 £	Year ended 30 September 1993 £
Group relief at 33% (30 September 1993: 33%)	<u>18,610</u>	<u>-</u>

Chelms Hill Motors Limited

Notes (continued)

6 Tangible fixed assets

	Freehold land £	Leasehold improvements £	Plant and equipment £	Total £
<i>Cost or valuation</i>				
At beginning of period	10,000	17,486	165,746	193,232
Additions	-	-	14,750	14,750
Disposals	-	-	(5,600)	(5,600)
On transfer of trade	(10,000)	(17,486)	(174,896)	(202,382)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of period	-	6,445	117,893	124,338
Charged for the period	-	2,192	31,683	33,875
Disposals	-	-	(5,600)	(5,600)
On transfer of trade	-	(8,637)	(143,976)	(152,613)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 1994	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1993	10,000	11,041	47,853	68,894
	<hr/>	<hr/>	<hr/>	<hr/>

Had the freehold land not be revalued it would have been included at a cost of £8,575.

7 Stocks

	31 December 1994 £	30 September 1993 £
Vehicles held for resale	-	239,359
Parts and other stocks	-	64,532
	<hr/>	<hr/>
	-	303,891
	<hr/>	<hr/>

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Notes (continued)

8 Debtors

	31 December 1994 £	30 September 1993 £
Trade debtors	-	138,570
Amounts owed by parent and fellow subsidiary undertakings	-	1,131
Prepayments and accrued income	-	28,191
	<u>-</u>	<u>167,892</u>

9 Creditors: Amounts falling due within one year

	31 December 1994 £	30 September 1993 £
Bank overdraft	-	67,646
Trade creditors	-	251,707
Amounts owed to parent and fellow subsidiary undertakings	-	213,978
Other taxation and social security	-	24,661
Accruals and deferred income	-	22,976
	<u>-</u>	<u>580,968</u>

The bank overdraft is secured on the freehold property of a fellow subsidiary undertaking.

10 Creditors: Amounts falling due after more than one year

	31 December 1994 £	30 September 1993 £
Loans from parent and fellow subsidiary undertakings	<u>90,607</u>	<u>-</u>

The loans are interest free and would not in ordinary course of business be repayable.

11 Share capital

	31 December 1994 £	30 September 1993 £
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

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Notes (continued)

12 Reserves

	Revaluation reserve £	Profit and loss account £
At beginning of period	1,425	(51,263)
Retained loss for the period	-	(50,769)
Transfers	(1,425)	1,425
	<hr/>	<hr/>
At end of period	-	(100,607)
	<hr/>	<hr/>

13 Reconciliation of movements in shareholders' funds

	31 December 1994 £	30 September 1993 £
Shareholders' funds at beginning of period	(39,838)	(76,350)
(Loss)/profit for the period	(50,769)	36,512
	<hr/>	<hr/>
Shareholders' funds at end of period	(90,607)	(39,838)
	<hr/>	<hr/>

14 Capital commitments

	31 December 1994 £	30 September 1993 £
Contracted for but not provided for	-	9,500
	<hr/>	<hr/>

15 Contingent liabilities

The company has given a composite guarantee in respect of vehicle stocking finance of the company and certain other fellow subsidiary undertakings.

The company has given a composite guarantee on bank overdrafts of the company and certain other fellow subsidiary undertakings.

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Notes (continued)

16 Pension costs

The company is a member of The Davenport Vernon Pension Scheme which is a defined contribution scheme. The assets of the scheme are held separately from those of group undertakings and are invested in Managed Pension Funds.

The pension cost charge represents contributions payable by the company to the scheme and is shown in note 3 to the financial statements. Contributions totalling £Nil (30 September 1993: £469) were payable to the scheme at the period end and are included in creditors.

17 Ultimate parent undertaking

The company's ultimate parent undertaking is Evans Halshaw Holdings plc, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Evans Halshaw Holdings plc. The consolidated financial statements of Evans Halshaw Holdings plc are available to the public and may be obtained from:

4 Highlands Court
Cranmore Avenue
Shirley
Solihull
West Midlands
B90 4LE

No other group financial statements include the results of the company.