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**RICHARD CORT (ROSSENDALE) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**



**RICHARD CORT (ROSSENDALE) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

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**RICHARD CORT (ROSSENDALE) LIMITED****DIRECTORS AND OFFICERS****FOR THE YEAR ENDED 31ST DECEMBER, 1995**

DIRECTORS	R.T. Cort (Chairman) Mrs. C. Cort P. Sewell K. Barnacle
SECRETARY	K. Barnacle
REGISTERED OFFICE	Manchester Road Blackford Bridge Bury Manchester BL9 9ST
PRINCIPAL PLACE OF BUSINESS	Car Showroom Bacup Road Waterfoot Rossendale Lancashire BB4 7JA
AUDITORS	John Fairhurst & Co. Chartered Accountants Registered Auditor Parkwood House 169 Chorley New Road Bolton Lancashire BL1 4QZ
BANKERS	National Westminster Bank plc 10 Yorkshire Street Oldham Lancashire OL1 1QT
COMPANY NUMBER	01682339

**RICHARD CORT (ROSSENDALE) LIMITED****REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements for the year ended 31st December, 1995 .

**BUSINESS REVIEW**

The company's principal activity during the year was the supply of new and used motor vehicles and accessories and the service and repair of motor vehicles.

On 1st February, 1995 the company changed its name from Lords of Rossendale (1983) Limited to Richard Cort (Rossendale) Limited.

**DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on page 1.

All directors have served throughout the year with the exception of K. Barnacle who was appointed a director and company secretary on 10th April, 1995. T.R. Bagnall served as director and company secretary from 1st January, 1995 to the date of his resignation on 10th April, 1995.

None of the directors had any interest in the share capital of the company at any time during the financial year.

The interest of the directors in the shares of the ultimate holding company, Richard T. Cort (Holdings) Limited, are disclosed in the financial statements of that 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 of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, John Fairhurst & Co. , will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report has been prepared taking advantage of the special exemptions available to small companies.

By order of the board



K. Barnacle  
Secretary

Date.....18.6.96

**RICHARD CORT (ROSSENDALE) LIMITED****REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in note 1.

**Respective responsibilities of directors and auditors**

As described on page 2 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 misstatement, 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 at 31st December 1995, and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.

*John Fairhurst JF.*

*John Fairhurst & Co.  
Chartered Accountants  
Registered Auditor  
Parkwood House  
169 Chorley New Road  
Bolton  
Lancashire  
BL1 4QZ*

Date *19th June 1996*

**RICHARD CORT (ROSSENDALE) LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER, 1995**

	Note	<u>1995</u>	<u>1994</u>
		£	£
<b>TURNOVER</b>	2	5,734,791	5,114,031
Less: Cost of Sales		<u>5,391,843</u>	<u>4,845,982</u>
<b>GROSS PROFIT</b>		342,948	268,049
Administration Expenses		169,754	129,970
Other Operating Charges		<u>66,765</u>	<u>89,513</u>
		<u>236,519</u>	<u>219,483</u>
<b>OPERATING PROFIT</b>	3	106,429	48,566
Interest Payable & Similar Charges	4	<u>17,454</u>	<u>39,437</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		88,975	9,129
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	5	<u>-</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		88,975	9,129
Dividends	6	<u>-</u>	<u>2,739</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		88,975	6,390
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<u>50,422</u>	<u>44,032</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>139,397</u>	<u>50,422</u>

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 11 form part of these financial statements.

**RICHARD CORT (ROSSENDALE) LIMITED****BALANCE SHEET AT 31ST DECEMBER, 1995**

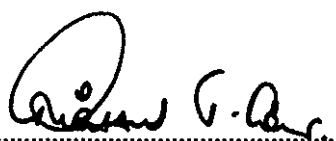
		<u>1995</u>		<u>1994</u>	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	7		427,107		432,877
<b>CURRENT ASSETS</b>					
Stocks	8	479,080		405,846	
Debtors	9	241,273		270,797	
Cash at bank and in hand		<u>130,382</u>		<u>300</u>	
		850,735		676,943	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>795,243</u>		<u>716,196</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>55,492</u>		<u>(39,253)</u>
<b>NET ASSETS</b>			<u>482,599</u>		<u>393,624</u>
<b>CAPITAL &amp; RESERVES</b>					
Called up share capital	11		40,000		40,000
Reserves	12		<u>442,599</u>		<u>353,624</u>
			<u>482,599</u>		<u>393,624</u>

The notes on pages 6 to 11 form part of these financial statements.

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company.

These financial statements were approved by the board of directors on:-

Date 18.6.96

  
R.T. Cort

**RICHARD CORT (ROSSENDALE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER, 1995****1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets. All activities included in these financial statements are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from the requirement to produce a Cash Flow Statement on the grounds that it is a small company.

**Depreciation**

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

Freehold Land & Buildings	0%
Plant & Machinery	20% p.a. straight line
Motor Vehicles	25% p.a. straight line
Office Equipment	20% p.a. straight line

No depreciation has been provided on the freehold buildings as they are maintained regularly at a high standard and their values reviewed by the directors. Accordingly, the depreciation charge for the year and the accumulated depreciation at 31st December, 1995 which would be required under SSAP12 are not material.

**Stocks**

Vehicle and oil stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal. Parts stocks are valued at replacement cost price.

**Deferred Taxation**

Deferred Taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect that it is considered that a net liability may crystallise.

No potential liability in respect of taxation on the revaluation surplus has been provided as the directors do not foresee any circumstances under which these land and buildings will be sold whilst the company continues to trade.

**Leasing**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.



**RICHARD CORT (ROSSENDALE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1995****1 ACCOUNTING POLICIES (CONTINUED)****Pension Costs**

The company operates a defined contributions pension scheme and the pension charge represents the amount payable by the company to the fund in respect of the year. The pension cost charge for the year was £10,209 (1994 - £5,819).

**2 TURNOVER**

Turnover represents the invoiced value of goods and services sold to third parties, excluding value added tax. The turnover and trading profit is attributable to the sole activity of the company and is generated in the United Kingdom only.

**3 OPERATING PROFIT/LOSS**

This is stated after charging or (crediting) the following:

	<u>1995</u>	<u>1994</u>
	£	£
Depreciation of tangible fixed assets	18,000	15,788
Directors emoluments	-	37,410
Auditors' remuneration	3,275	3,000
Operating lease rentals - land	12,000	12,000
Operating lease rentals - other	12,549	12,893

**DIRECTORS' REMUNERATION**

The directors, R.T. Cort and Mrs C. Cort are executives of the holding company, Richard T. Cort (Holdings) Limited and are also directors of the fellow subsidiaries, Richard Cort (Bury) Limited, Richard Cort (Oldham) Limited and Richard Cort (Italia) Limited. These directors received remuneration from Richard T. Cort (Holdings) Limited during the year. The other directors are also directors of the fellow subsidiaries. These directors received remuneration from Richard Cort (Bury) Limited during the year. Salary and management recharges are made during the year to apportion total remuneration throughout the group.

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1995</u>	<u>1994</u>
	£	£
Loan Interest	3,425	8,286
Hire Purchase Interest	-	2,679
Bank Charges	4,437	7,276
Bank Interest	7,405	19,168
Credit Card Charges	2,187	2,028
	<u>17,454</u>	<u>39,437</u>

**RICHARD CORT (ROSSENDALE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1995****5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax at 25% (1994 25%)	-	-

**6 DIVIDENDS**

	<u>1995</u>	<u>1994</u>
	£	£
Dividends on Ordinary Shares	<u>-</u>	<u>2,739</u>

**7 TANGIBLE FIXED ASSETS**

	<u>Freehold Land and Buildings</u>	<u>Plant &amp; Machinery</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1 January 1995	403,106	98,611	9,629	47,346	558,692
Additions	<u>-</u>	<u>7,030</u>	<u>-</u>	<u>5,200</u>	<u>12,230</u>
At 31 December 1995	<u>403,106</u>	<u>105,641</u>	<u>9,629</u>	<u>52,546</u>	<u>570,922</u>
<u>Depreciation</u>					
At 1 January 1995	-	76,537	7,706	41,572	125,815
Charge for the year	<u>-</u>	<u>12,780</u>	<u>1,923</u>	<u>3,297</u>	<u>18,000</u>
At 31 December 1995	<u>-</u>	<u>89,317</u>	<u>9,629</u>	<u>44,869</u>	<u>143,815</u>
<u>Net Book Amount</u>					
At 31 December 1995	<u>403,106</u>	<u>16,324</u>	<u>-</u>	<u>7,677</u>	<u>427,107</u>
At 1 January 1995	<u>403,106</u>	<u>22,074</u>	<u>1,923</u>	<u>5,774</u>	<u>432,877</u>

The freehold land and buildings were revalued by the company's valuers on 31st December, 1990 and the directors regularly review this value.

**8 STOCKS**

	<u>1995</u>	<u>1994</u>
	£	£
Stock	<u>479,080</u>	<u>405,846</u>

**RICHARD CORT (ROSSENDALE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1995****9 DEBTORS**

	<u>1995</u>	<u>1994</u>
	£	£
<u>Amounts Falling Due Within One Year</u>		
Trade debtors	174,379	164,269
Amounts Due By Group Companies	35,991	95,226
ACT Recoverable	725	725
Other debtors	12,556	134
Prepayments and accrued income	<u>17,622</u>	<u>10,443</u>
	<u>241,273</u>	<u>270,797</u>

**10 CREDITORS: Amounts falling due within one year**

	<u>1995</u>	<u>1994</u>
	£	£
Trade creditors	446,334	323,426
Other taxation and social security	12,945	39,203
Hire Purchase & Lease Contracts	24,168	-
Accruals and deferred income	34,043	46,270
Amounts Due to Group Companies	99,045	2,397
Bank Loans and Overdrafts	-	233,350
Finance Company Loan	50,000	50,000
Advance Commission	-	20,464
Stock Funding Loan	114,000	-
Other Creditors	<u>14,708</u>	<u>1,086</u>
	<u>795,243</u>	<u>716,196</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company.

The finance company loan, stock funding loan and hire purchase liabilities are secured on the stock concerned.

**11 SHARE CAPITAL**

	<u>1995</u>	<u>1994</u>
	£	£
Authorised:		
Ordinary Shares of £1 each	<u>40,000</u>	<u>40,000</u>
Allotted and fully paid:		
Ordinary shares of £1 per share	<u>40,000</u>	<u>40,000</u>

**RICHARD CORT (ROSSENDALE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1995****12 RESERVES**

	<u>1995</u>	<u>1994</u>
	£	£
Revaluation Reserves	303,202	303,202
Revenue Reserves brought forward	50,422	44,032
Profit Retained	<u>88,975</u>	<u>6,390</u>
	<u>442,599</u>	<u>353,624</u>

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the financial year	88,975	9,129
Dividends	-	(2,739)
Net addition to shareholders funds	88,975	6,390
Opening shareholders' funds	<u>393,624</u>	<u>387,234</u>
Closing shareholders' funds	<u>482,599</u>	<u>393,624</u>

**14 LEASING COMMITMENTS**

At 31st December, 1995, the company was committed to making the following payments during the next year in respect of operating leases.

	<u>1995</u>		<u>1994</u>	
	<u>LAND</u>	<u>OTHERS</u>	<u>LAND</u>	<u>OTHERS</u>
	£	£	£	£
Operating Leases Which Expire:-				
Within One Year	-	98	-	1,890
Between Two and Five				
Years Inclusive	<u>12,000</u>	<u>9,823</u>	<u>12,000</u>	<u>11,003</u>
	<u>12,000</u>	<u>9,921</u>	<u>12,000</u>	<u>12,893</u>

**15 CONTINGENT LIABILITIES**

The company has contingent liability under the terms of a guarantee to the company's bankers in connection with overdraft facilities extended to its parent company Richard T. Cort (Holdings) Limited and its fellow subsidiaries Richard Cort (Bury) Limited, Richard Cort (Oldham) Limited and Richard Cort (Italia) Limited. A composite guarantee has been given by Doublecustom Limited a company wholly owned by R.T. Cort and Mrs.C. Cort. At 31st December, 1995 the bank borrowings of the other group companies amounted to £938,699 and those of Doublecustom Limited amounted to £672,944.

**RICHARD CORT (ROSSENDALE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

**16 ULTIMATE HOLDING COMPANY**

The company is a wholly owned subsidiary of Richard T. Cort (Holdings) Limited, a company incorporated in the United Kingdom.

During the year the company paid a management charge to the holding company amounting to £60,000 (1994 - £nil).

**17 POST BALANCE SHEET EVENTS**

The effect of events relating to the year ended 31st December, 1995 which occurred before the date of approval of the financial statements by the board of directors, have been included to the extent required to show a true and fair view of the state of affairs at 31st December, 1995 and of the results for the year ended on that date.