

# **Evans Halshaw (Chesham) Limited**

## **Directors' report and financial statements**

**31 December 1994**

Registered number 1994408



# Evans Halshaw (Chesham) Limited

## Directors' report and financial statements

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# Evans Halshaw (Chesham) Limited

## Directors' report

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

### Principal activities

The principal activities of the company are the distribution of motor vehicles together with related activities.

### Business review

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

### Results and dividends

The directors do not recommend the payment of a dividend for the year (1993: £Nil).

The retained profit for the year of £185,307 (1993: loss of £57,015) is to be transferred to reserves.

### Fixed assets

A summary of the changes in tangible fixed assets is given in note 5 to the financial statements.

### Directors and directors' interests

The directors who served during the year were:

AG Dale (Chairman)  
AB Archer  
CDE Cameron

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

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

### 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.

# Evans Halshaw (Chesham) Limited

## Directors' report *(continued)*

### Statement of 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;
- 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.

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 Evans Halshaw (Chesham) Limited

We have audited the financial statements on pages 4 to 12.

### *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 as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPAV*

Chartered Accountants  
Registered Auditors

1 September 1995



# Evans Halshaw (Chesham) Limited

## Profit and loss account for the year ended 31 December 1994

	<i>Note</i>	<b>1994</b> £	<b>1993</b> £
<b>Turnover</b> - continuing operations		<b>13,227,526</b>	12,526,439
Cost of sales		<b>(11,532,304)</b>	(10,899,392)
<b>Gross profit</b>		<b>1,695,222</b>	1,627,047
Distribution costs		<b>(802,179)</b>	(888,749)
Administrative expenses		<b>(574,419)</b>	(749,154)
<b>Operating profit/(loss)</b> - continuing operations	<i>1</i>	<b>318,624</b>	(10,856)
Interest payable and similar charges	<i>3</i>	<b>(40,202)</b>	(88,649)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>278,422</b>	(99,505)
Tax on profit/(loss) on ordinary activities	<i>4</i>	<b>(93,115)</b>	42,490
<b>Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the financial year</b>	<i>12</i>	<b>185,307</b>	(57,015)

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

The profit and loss account is prepared on an unmodified historical cost basis.

Movements in shareholders' funds are shown in note 16.

# Evans Halshaw (Chesham) Limited

Balance sheet  
at 31 December 1994

	Note	1994	1993
		£	£
<b>Fixed assets</b>			
Tangible assets	5	409,193	413,252
<b>Current assets</b>			
Stocks	6	1,131,622	717,475
Debtors	7	225,055	354,941
Cash at bank and in hand		69,329	365
		<u>1,426,006</u>	<u>1,072,781</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(832,100)</u>	<u>(632,353)</u>
<b>Net current assets</b>		<u>593,906</u>	<u>440,428</u>
<b>Total assets less current liabilities</b>		<u>1,003,099</u>	<u>853,680</u>
<b>Creditors: Amounts falling due after more than one year</b>	9	<u>(699,628)</u>	<u>(736,630)</u>
<b>Provisions for liabilities and charges</b>	10	<u>(13,951)</u>	<u>(12,837)</u>
<b>Net assets</b>		<u>289,520</u>	<u>104,213</u>
<b>Capital and reserves</b>			
Called up share capital	11	291,827	291,827
Profit and loss account	12	(2,307)	(187,614)
<b>Shareholders' funds</b>		<u>289,520</u>	<u>104,213</u>

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

  
AG Dale  
Director

# Evans Halshaw (Chesham) Limited

## Accounting policies

### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and 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 within FRS 5 have been adopted for the first time. This has resulted in interest bearing vehicle consignment stocks being recognised on the balance sheet. Comparative figures have been restated.

### *Depreciation*

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

Short leasehold buildings	- term of the lease
Plant and equipment	- 12½ % to 33⅓ % per annum

### *Stocks*

Stocks are stated 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.

### *Leased assets*

The cost of operating leases is charged to profit as incurred.

### *Pension costs*

The costs of providing pensions are charged against profits on a systematic basis, with the group pension surplus that has arisen being allocated over the expected remaining service lives of current group employees. Differences between the amount charged in the profit and loss account and the payments made to the pension scheme are treated as prepayments or provisions.

### *Turnover*

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



# Evans Halshaw (Chesham) Limited

## Notes

*(forming part of the financial statements)*

### 1 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	1994 £	1993 £
Directors' emoluments	-	-
Depreciation of tangible fixed assets	51,942	53,614
Auditors' remuneration:		
Audit	6,500	6,750
Other services	1,850	2,000
Operating leases:		
Hire of plant and machinery	4,749	5,254
Property rental charges	100,000	243,000
	<u>          </u>	<u>          </u>

### 2 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 41 (1993: 50).

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages and salaries	747,621	794,533
Social security costs	76,158	80,100
	<u>          </u>	<u>          </u>
	823,779	874,633
	<u>          </u>	<u>          </u>

### 3 Interest payable and similar charges

	1994 £	1993 £
Interest on bank overdraft	33,158	64,058
Stock finance charges	7,044	24,591
	<u>          </u>	<u>          </u>
	40,202	88,649
	<u>          </u>	<u>          </u>

# Evans Halshaw (Chesham) Limited

## Notes (continued)

### 4 Tax on profit/(loss) on ordinary activities

	1994 £	1993 £
Corporation tax at 33 % (1993: 33%)	(92,968)	-
Group relief at 33 % (1993: 33%)	-	41,618
Adjustment in respect of prior years	967	1,709
Deferred taxation	(1,114)	(837)
	<hr/>	<hr/>
Tax (charge)/credit	(93,115)	42,490
	<hr/>	<hr/>

### 5 Tangible fixed assets

	Short leasehold buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At beginning of year	325,518	309,754	635,272
Additions	7,012	40,871	47,883
	<hr/>	<hr/>	<hr/>
At end of year	332,530	350,625	683,155
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At beginning of year	17,405	204,615	222,020
Charge for the year	13,410	38,532	51,942
	<hr/>	<hr/>	<hr/>
At end of year	30,815	243,147	273,962
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 1994	301,715	107,478	409,193
	<hr/>	<hr/>	<hr/>
At 31 December 1993	308,113	105,139	413,252
	<hr/>	<hr/>	<hr/>

# Evans Halshaw (Chesham) Limited

## Notes (continued)

### 6 Stocks

	1994 £	1995 £
Vehicle consignment stocks	126,549	126,541
Other vehicles held for resale	842,661	467,382
Parts and other stocks	162,412	123,552
	<u>1,131,622</u>	<u>717,475</u>

### 7 Debtors

	1994 £	1993 £
Trade debtors	127,097	140,631
Amounts owed by parent and fellow subsidiary undertakings	2,665	59,298
Group relief	-	41,618
Other debtors	14,281	-
Prepayments and accrued income	81,012	113,394
	<u>225,055</u>	<u>354,941</u>

### 8 Creditors: Amounts falling due within one year

	1994 £	1993 £
Bank overdraft	-	38,826
Payments received on account	96,015	95,004
Trade creditors	461,331	401,849
Amounts due to parent and fellow subsidiary undertakings	4,060	20,680
Corporation tax	92,886	-
Other creditors including other taxation and social security	114,793	39,553
Accruals and deferred income	63,015	36,441
	<u>832,100</u>	<u>632,353</u>

# Evans Halshaw (Chesham) Limited

## Notes (continued)

### 9 Creditors: Amounts falling due after more than one year

	1994 £	1993 £
Loans from parent and fellow subsidiary undertakings	<u>699,628</u>	<u>736,630</u>

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

### 10 Provisions for liabilities and charges

	Deferred taxation £	Pension costs £	Total £
At beginning of year	837	12,000	12,837
Charge to profit and loss account	<u>1,114</u>	<u>-</u>	<u>1,114</u>
At end of year	<u>1,951</u>	<u>12,000</u>	<u>13,951</u>

Deferred taxation, which is provided and unprovided at 33% (1993: 33%), comprises:

	Amount provided		Amount unprovided	
	1994 £	1993 £	1994 £	1993 £
Accelerated capital allowances	5,912	4,798	4,182	4,000
Short term timing differences	<u>(3,961)</u>	<u>(3,961)</u>	<u>-</u>	<u>-</u>
	<u>1,951</u>	<u>837</u>	<u>4,182</u>	<u>4,000</u>

### 11 Share capital

	1994 £	1993 £
<b>Authorised:</b>		
Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>
<b>Allotted, called up and fully paid:</b>		
Ordinary shares of £1 each	<u>291,827</u>	<u>291,827</u>

# Evans Halshaw (Chesham) Limited

## Notes (continued)

### 12 Profit and loss account

	£
At beginning of year	(187,614)
Retained profit for year	185,307
	<hr/>
At end of year	(2,307)
	<hr/>

### 13 Guarantees

The company, together with its parent and certain fellow subsidiary undertakings, have given cross-guarantees in favour of their bankers to secure all monies owing to the bank by these undertakings from time to time.

The ultimate parent undertaking has given an unlimited guarantee in favour of the bank to secure all monies owed to the bank by the company.

### 14 Commitments

#### (a) Capital commitments

	1994 £	1993 £
Authorised but not yet contracted for	16,035	26,000
	<hr/>	<hr/>

#### (b) Operating leases

The payments under operating leases which are due to be made in the next year, analysed over the periods when the leases expire, are as follows:

	Land and buildings		Other	
	1994 £	1993 £	1994 £	1993 £
Within one year	-	-	2,064	-
In the second to fifth years	-	-	-	4,763
Over five years	100,000	100,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	100,000	100,000	2,064	4,763
	<hr/>	<hr/>	<hr/>	<hr/>

# Evans Halshaw (Chesham) Limited

## Notes (continued)

### 15 Pension costs

The company is a member of a group operated defined benefit pension scheme providing benefits based on final pensionable pay. The assets are managed independently and are invested in funds administered by a merchant bank.

Contributions to the pension scheme, which is fully funded, are based on pension costs across the group as a whole. No cost was charged in the profit and loss account during the year (1993: £Nil) for this scheme.

The latest formal actuarial valuation was at 31 March 1992. Particulars of the actuarial valuation of the group scheme are contained in the financial statements of Evans Halshaw Holdings plc.

### 16 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Shareholders' funds at beginning of year	104,213	161,228
Profit/(loss) for the year	185,307	(57,015)
	<hr/>	<hr/>
Shareholders' funds at end of year	289,520	104,213
	<hr/>	<hr/>

### 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.