

**Western Counties Automobile  
Company Limited  
(formerly West Swindon  
Garage Limited)**

**Directors' report and financial statements**

**31 December 1995**

Registered number 2182711



# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Directors' report and financial statements

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# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Director's report

The director presents his annual report and the audited financial statements for the year ended 31 December 1995.

### Principal activities

The principal activity of the company was the sale and maintenance of Mazda vehicles. On 8 February 1995, notice was given to terminate the franchise agreement with Mazda, and the company ceased trading from 31 March 1995.

### Business review

Turnover achieved during the year was £660,511 (1994 : £4,484,585). The loss for the year retained in the company was £13,826 (1994 : £97,738).

### Proposed dividend

The director does not recommend the payment of a dividend.

### Significant changes in fixed assets

Movement in fixed assets are set out in note 9 to these financial statements.

### Directors and directors' interests

The director who held office during the year was:

PC Lovett

The director who held office at the end of the financial year had no interest in the shares of the company.

The director's interest in the parent undertaking is disclosed in the director's report of that company.

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Director's report

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
**DJ Maurice**  
Secretary

Ashworth Road  
Bridgemoor  
Swindon  
Wilts  
SN5 7UR

23 April 1996 Date

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Statement of director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



1 Cricklade Court  
Cricklade Street  
Old Town  
Swindon SN1 3EY

## Report of the auditors to the members of West Swindon Garage Limited

We have audited the financial statements on pages 5 to 15.

### *Respective responsibilities of the director and auditors*

As described on page 3 the company's director is 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 director 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 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

23 April 1996

KPMG  
Chartered Accountants  
Registered Auditors



# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Profit and loss account for the year ended 31 December 1995

	Note	1995 £	1994 £
<b>Turnover from discontinued operations</b>	2	<b>660,511</b>	4,484,585
Cost of sales		<b>(631,024)</b>	(4,238,765)
<b>Gross profit from discontinued operations</b>		<b>29,487</b>	245,820
Distribution costs		<b>(21,010)</b>	(164,112)
Administrative expenses		<b>(40,803)</b>	(237,342)
Other operating income		-	28,733
<b>Operating loss from discontinued operations</b>		<b>(32,326)</b>	(126,901)
Interest receivable and similar income	6	-	2,854
Interest payable and similar charges	7	<b>(3,137)</b>	(20,383)
<b>Loss on ordinary activities before taxation</b>	3	<b>(35,463)</b>	(144,430)
Tax on loss on ordinary activities	8	<b>21,637</b>	46,692
<b>Loss on ordinary activities after taxation</b>		<b>(13,826)</b>	(97,738)

No other gains or losses have been recognised during the year.

There is no material difference between the company results as reported and on an unmodified historical cost basis. Accordingly no note of historical cost profits and losses has been included.

A statement of movements on reserves is given in note 15.

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

Balance sheet  
at 31 December 1995

	Note	1995	1994
		£	£
<b>Fixed assets</b>			
Tangible assets	9	-	75,341
<b>Current assets</b>			
Stocks	10	-	305,464
Debtors	11	21,723	146,206
Cash at bank and in hand		1,242	130
		<u>22,965</u>	<u>451,800</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(15,791)</u>	<u>(492,861)</u>
<b>Net current assets/(liabilities)</b>		<u>7,174</u>	<u>(41,061)</u>
<b>Total assets less current liabilities</b>		<u>7,174</u>	<u>34,280</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>-</u>	<u>(13,280)</u>
<b>Net assets</b>		<u>7,174</u>	<u>21,000</u>
<b>Capital and reserves</b>			
Called up share capital	14	200,000	200,000
Profit and loss account	15	(192,826)	(179,000)
<b>Shareholders' funds</b>	16	<u>7,174</u>	<u>21,000</u>

These financial statements were approved by the board of directors on 23 April 1996 and were signed on its behalf by:

  
PC Lovett  
Director



# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Cash flow statement*

The company is exempt from Financial Reporting Standard No 1 "Cash Flow Statements", being a wholly owned subsidiary undertaking of Dick Lovett Companies Limited, which prepares a consolidated cash flow statement dealing with the cash flows of the group.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Leasehold improvements	-	life of lease
Plant and machinery	-	15% per annum based on written down value
Motor vehicles	-	25% per annum based on written down value
Fixture and fittings	-	15% per annum based on written down value

#### *Hire purchase contracts*

Items purchased under hire purchase contracts are capitalised from the contract date. Obligations under hire purchase contracts are shown net of potential future interest payments.

Interest payable on hire purchase contracts is taken to the profit and loss account on a straight line basis as the payments fall due.

#### *Pension costs*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amounts charged against profits represents the contributions payable to the pension scheme in respect of the accounting period.

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes (continued)

### 1 Accounting policies (continued)

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stock.

New vehicles on consignment are included in stock as if purchased outright and the related finance thereon is included within trade creditors.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

### 2 Analysis of turnover

	1995 £	1994 £
<i>By activity</i>		
Car sales	507,587	3,869,803
Servicing and parts	152,924	614,782
	<hr/>	<hr/>
	660,511	4,484,585
	<hr/>	<hr/>

In the opinion of the directors the above classes of business do not differ substantially from each other and accordingly the amount of loss on ordinary activities before taxation attributable to the above classes of business has not been given.

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

Notes (continued)

## 3 Loss on ordinary activities before taxation

	1995 £	1994 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	2,000	4,000
Other services	300	5,028
Depreciation and other amounts written off tangible fixed assets	-	11,718
Hire of plant and machinery - rentals payable under operating leases	169	1,128
Loss on sale of fixed assets	5,504	-
<i>after crediting</i>		
Profit on sale of fixed assets	-	705

## 4 Remuneration of directors

No directors' emoluments have been paid by the company during the year.

## 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1995	1994
Sales staff	1	4
Parts staff	1	3
Servicing staff	2	7
Administration and accounts staff	1	4
	<hr/>	<hr/>
	5	18
	<hr/>	<hr/>

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes (continued)

### 5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	1995 £	1994 £
Wages and salaries	34,033	319,870
Social security costs	4,735	21,520
Other pension costs (see note 18)	1,377	8,271
	<u>40,145</u>	<u>349,661</u>

### 6 Interest receivable and similar income

	1995 £	1994 £
Bank interest	-	2,854
	<u>-</u>	<u>2,854</u>

### 7 Interest payable and similar charges

	1995 £	1994 £
On bank loans, overdrafts and other loans wholly repayable within five years	3,137	20,383
	<u>3,137</u>	<u>20,383</u>

### 8 Taxation

	1995 £	1994 £
Consortium relief receivable	-	(51,297)
Group relief receivable	(21,637)	-
Adjustment for prior year	-	4,605
	<u>(21,637)</u>	<u>(46,692)</u>

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

Notes (continued)

## 9 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures fittings tools and equipment	Motor vehicles	Total
	£	£	£	£	£
<i>Cost</i>					
At beginning of year	23,077	63,530	25,206	-	111,813
Additions	-	-	-	9,504	9,504
Intragroup transfers	(23,077)	(63,530)	(25,206)	(9,504)	(121,317)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	-	-	-	-	-
<i>Depreciation</i>					
At beginning of year	3,932	22,186	10,354	-	36,472
Charge for year	-	-	-	-	-
Intragroup transfers	(3,932)	(22,186)	(10,354)	-	(36,472)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	-	-	-	-	-
<i>Net book value</i>					
At 31 December 1995	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1994	19,145	41,344	14,852	-	75,341
	<u>19,145</u>	<u>41,344</u>	<u>14,852</u>	<u>-</u>	<u>75,341</u>

Included in the total net book value of tangible fixed assets is £Nil (1994 : £20,228) in respect of assets held under hire purchase contracts. Depreciation for the year on these assets was £Nil (1994 : £3,524).

## 10 Stocks

	1995 £	1994 £
Vehicles	-	268,964
Parts	-	28,198
Oil, tyres and consumables	-	2,738
Work in progress	-	5,564
	<u>-</u>	<u>305,464</u>
	-	305,464

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes *(continued)*

### 10 Stocks *(continued)*

Stocks of vehicles include an amount of £Nil (1994 : £138,906) in respect of new vehicles held on consignment.

### 11 Debtors

	1995 £	1994 £
Trade debtors	-	71,560
Amounts owed by group undertakings	21,637	59,147
Other debtors	86	-
Prepayments and accrued income	-	15,499
	<u>21,723</u>	<u>146,206</u>

*The amounts owed by group undertakings comprise*

Parent and fellow subsidiary undertakings	<u>21,637</u>	<u>59,147</u>
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All debtors are due within one year.

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes (continued)

### 12 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	-	19,461
Other loans	-	45,395
Trade creditors	-	225,967
Amounts owed to group undertakings	14,291	148,965
Other creditors including taxation and social security:		
Other taxes and social security	-	6,055
Accruals and deferred income	1,500	41,413
Obligations under hire purchase contracts	-	5,605
	<u>15,791</u>	<u>492,861</u>

#### *The amounts owed to group undertakings comprise*

Parent and fellow subsidiary undertakings	<u>14,291</u>	<u>148,965</u>
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Trade creditors include an amount of £Nil (1994 : £138,906) in respect of new vehicles held on consignment.

### 13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Obligations under hire purchase contracts	<u>-</u>	<u>13,280</u>

The maturity of obligations under hire purchase contracts is as follows:

	1995 £	1994 £
Within one year	-	5,605
In second to fifth years	-	13,280
	<u>-</u>	<u>18,885</u>

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes (continued)

### 14 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

### 15 Reserves

	Profit and loss account £
At beginning of year	(179,000)
Retained loss for the year	<u>(13,826)</u>
At end of year	<u>(192,826)</u>

### 16 Reconciliation of movement in shareholders' funds

	1995 £	1994 £
Loss for the financial year	(13,826)	(97,738)
Opening shareholders' funds	<u>21,000</u>	<u>118,738</u>
Closing shareholders' funds	<u>7,174</u>	<u>21,000</u>

### 17 Commitments

There were no capital commitments authorised or contracted for at the balance sheet date.



# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Notes *(continued)*

### 18 Pension scheme

The company is a participating company in the Dick Lovett group defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the respective funds and amounted to £1,377 (1994 : £8,271). There were no outstanding or prepaid contributions at either the beginning or the end of the year.

### 19 Ultimate parent undertaking

With effect from 31 December 1994 the company's ultimate parent undertaking is Dick Lovett Companies Limited which is incorporated in the United Kingdom and registered in England. The financial statements of Dick Lovett Companies Limited may be obtained from:

Ashworth Road  
Bridgemoor  
Swindon  
Wilts  
SN5 7XR

*The following information does not form part of the audited statutory accounts and is included solely for the information of management.*

# Western Counties Automobile Company Limited (formerly West Swindon Garage Limited)

## Detailed profit and loss account for the year ended 31 December 1995

	1995		1994	
	£	£	£	£
<b>Sales</b>		<b>660,511</b>		<b>4,484,585</b>
Cost of sales		<u>(631,024)</u>		<u>(4,238,765)</u>
<b>Gross profit</b>		<b>29,487</b>		<b>245,820</b>
<b>Distribution costs</b>				
Salaries and staff benefits	15,552		118,270	
Training costs	-		780	
Advertising and promotion	4,040		34,891	
Bad debts and unclaimed balances	507		2,603	
Sales expenses	911		7,568	
		<u>(21,010)</u>		<u>(164,112)</u>
<b>Administration expenses</b>				
Salaries, training and staff welfare	2,000		51,471	
Establishment costs	23,576		107,066	
Management charge	6,250		25,002	
Entertaining	53		87	
Depreciation	-		9,434	
Computer costs	624		6,039	
Printing and stationery	528		3,181	
Postage and carriage	555		797	
Telephone and telex	2,265		8,517	
Subscriptions and donations	334		1,813	
Legal and professional	184		885	
Audit and accountancy	2,300		9,028	
Credit card charges	530		2,056	
Sundry expenses	1,604		9,786	
Redundancy payments	-		2,180	
		<u>(40,803)</u>		<u>(237,342)</u>
Other operating income		-		28,733
<b>Interest</b>				
Interest receivable	-		2,854	
Interest payable	(3,137)		(20,383)	
		<u>(3,137)</u>		<u>(17,529)</u>
<b>Loss before tax</b>		<b>(35,463)</b>		<b>(144,430)</b>