

# **West Swindon Garage Limited**

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

**31 December 1994**

Registered number 2182711



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COMPANIES HOUSE 21/04/95

# West Swindon Garage Limited

## Directors' report and financial statements

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# West Swindon Garage Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

### Principal activities

The principal activity of the company is the sale and maintenance of Mazda vehicles.

### Business review

Turnover achieved during the year was £4,484,585 (1993 : £3,799,017). The loss for the year retained in the company was £97,738 (1993 : £43,900).

On 31 December 1994 the company became a wholly owned subsidiary undertaking of Dick Lovett Companies Limited.

On 8 February 1995, notice was given to terminate the franchise agreement with Mazda.

### Proposed dividend

The directors do 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 directors who held office during the year were as follows:

TDT Walkinshaw      (resigned 31 December 1994)  
PC Lovett

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

The directors' interests in the parent undertaking are disclosed in the directors' report of that company.


# West Swindon Garage Limited

## Directors' report

### Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. 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

13 April 1995 Date

# West Swindon Garage Limited

## 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 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.



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 16.

### *Respective responsibilities of directors and auditors*

As described on page 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 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 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

K/h G

KPMG  
Chartered Accountants  
Registered Auditors

13 April 1995



# West Swindon Garage Limited

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

	Note	1994 £	1993 £
Turnover from continuing operations	2	4,484,585	3,799,017
Cost of sales		(4,238,765)	(3,513,281)
<b>Gross profit from continuing operations</b>		<b>245,820</b>	<b>285,736</b>
Distribution costs		(164,112)	(138,742)
Administrative expenses		(237,342)	(220,538)
Other operating income		28,733	20,181
<b>Operating loss from continuing operations</b>		<b>(126,901)</b>	<b>(53,363)</b>
Interest receivable and similar income	6	2,854	-
Interest payable and similar charges	7	(20,383)	(13,992)
<b>Loss on ordinary activities before taxation</b>	3	<b>(144,430)</b>	<b>(67,355)</b>
Tax on loss on ordinary activities	8	46,692	23,455
<b>Loss on ordinary activities after taxation</b>		<b>(97,738)</b>	<b>(43,900)</b>

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 18.

# West Swindon Garage Limited

## Balance sheet at 31 December 1994

	Note	1994		1993	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		75,341		82,115
<b>Current assets</b>					
Stocks	10	305,464		485,128	
Debtors	11	146,206		107,263	
Cash at bank and in hand		130		7,789	
		<u>451,800</u>		<u>600,180</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(492,861)</u>		<u>(551,200)</u>	
<b>Net current (liabilities)/assets</b>			<u>(41,061)</u>		<u>48,980</u>
<b>Total assets less current liabilities</b>			<u>34,280</u>		<u>131,095</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(13,280)</u>		<u>(12,357)</u>
<b>Net assets</b>			<u>21,000</u>		<u>118,738</u>
<b>Capital and reserves</b>					
Called up share capital	14	200,000		200,000	
Profit and loss account	18	<u>(179,000)</u>		<u>(81,262)</u>	
			<u>21,000</u>		<u>118,738</u>

These financial statements were approved by the board of directors on 13 April 95 and were signed on its behalf by:



PC Lovett  
Director



# West Swindon Garage Limited

## Cash flow statement for the year ended 31 December 1994

	Note	1994		1993	
		£	£	£	£
Net cash outflow from operating activities	15		(21,998)		(35,550)
<b>Returns on investments and servicing of finance</b>					
Interest received		2,854		-	
Interest paid		<u>(18,975)</u>		<u>(13,992)</u>	
Net cash outflow from returns on investments and servicing of finance			(16,121)		(13,992)
<b>Taxation</b>					
Consortium relief received			14,245		-
<b>Investing activities</b>					
Sale of tangible fixed assets		7,500		5,000	
Purchase of tangible fixed assets		<u>(8,689)</u>		<u>(690)</u>	
Net cash (outflow)/inflow from investing activities			<u>(1,189)</u>		<u>4,310</u>
Net cash outflow before financing			(25,063)		(45,232)
<b>Financing</b>					
New short-term loans		-		150,000	
Capital element of finance lease rental payments		<u>(2,057)</u>		<u>(9,704)</u>	
Net cash (outflow)/inflow from financing	17		<u>(2,057)</u>		<u>140,296</u>
(Decrease)/increase in cash and cash equivalents	16		<u>(27,120)</u>		<u>95,064</u>

# 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.

The ultimate parent undertaking, Dick Lovett Companies Limited, will continue to provide financial and other support to West Swindon Garage Limited to enable it to continue to trade.

#### *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

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *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.

#### *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.

# West Swindon Garage Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 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

	1994	1993
	£	£
<i>By activity</i>		
Car sales	3,869,803	3,225,577
Servicing and parts	614,782	573,440
	<u>4,484,585</u>	<u>3,799,017</u>

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.

### 3 Loss on ordinary activities before taxation

	1994	1993
	£	£
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	4,000	4,000
Other services	5,028	3,225
Depreciation and other amounts written off tangible fixed assets	11,718	12,852
Hire of plant and machinery - rentals payable under operating leases	1,128	1,013
<i>after crediting</i>		
Profit on sale of fixed assets	705	1,219

# West Swindon Garage Limited

## Notes (continued)

### 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	
	1994	1993
Sales staff	4	4
Parts staff	3	3
Servicing staff	7	6
Administration and accounts staff	4	4
	<u>18</u>	<u>17</u>

The aggregate payroll costs of these persons were as follows:

	1994	1993
	£	£
Wages and salaries	319,870	251,859
Social security costs	21,520	22,625
Other pension costs (see note 21)	8,271	12,948
	<u>349,661</u>	<u>287,432</u>

### 6 Interest receivable and similar income

	1994	1993
	£	£
Bank interest	<u>2,854</u>	<u>-</u>

# West Swindon Garage Limited

## Notes (continued)

### 7 Interest payable and similar charges

	1994 £	1993 £
On bank loans, overdrafts and other loans wholly repayable within five years	<u>20,383</u>	<u>13,992</u>

### 8 Taxation

	1994 £	1993 £
Consortium relief receivable	(51,297)	(23,455)
Adjustment for prior year	<u>4,605</u>	<u>-</u>
	<u>(46,692)</u>	<u>(23,455)</u>

### 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	52,326	24,671	12,079	112,153
Additions	-	11,204	535	-	11,739
Disposals	-	-	-	(12,079)	(12,079)
	<u>23,077</u>	<u>63,530</u>	<u>25,206</u>	<u>-</u>	<u>111,813</u>
At end of year	23,077	63,530	25,206	-	111,813
<i>Depreciation</i>					
At beginning of year	2,268	14,753	7,733	5,284	30,038
Charge for year	1,664	7,433	2,621	-	11,718
Disposals	-	-	-	(5,284)	(5,284)
	<u>3,932</u>	<u>22,186</u>	<u>10,354</u>	<u>-</u>	<u>36,472</u>
At end of year	3,932	22,186	10,354	-	36,472
<i>Net book value</i>					
At 31 December 1994	<u>19,145</u>	<u>41,344</u>	<u>14,852</u>	<u>-</u>	<u>75,341</u>
At 31 December 1993	<u>20,809</u>	<u>37,573</u>	<u>16,938</u>	<u>6,795</u>	<u>82,115</u>

# West Swindon Garage Limited

## Notes (continued)

### 9 Tangible fixed assets

Included in the total net book value of tangible fixed assets is £20,228 (1993 : £20,443) in respect of assets held under hire purchase contracts. Depreciation for the year on these assets was £3,524 (1993 : £3,608).

### 10 Stocks

	1994 £	1993 £
Vehicles	268,964	445,887
Parts	28,198	30,536
Oil, tyres and consumables	2,738	2,131
Work in progress	5,564	6,574
	<u>305,464</u>	<u>485,128</u>

Stocks of vehicles include an amount of £138,906 (1993 : £233,121) in respect of new vehicles held on consignment.

### 11 Debtors

	1994 £	1993 £
Trade debtors	71,560	44,880
Amounts owed by group undertakings	59,147	-
Other debtors (consortium relief)	-	23,455
Prepayments and accrued income	15,499	38,928
	<u>146,206</u>	<u>107,263</u>

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

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

# West Swindon Garage Limited

## Notes (continued)

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

	1994	1993
	£	£
Bank loans and overdrafts	19,461	-
Other loans	45,395	200,000
Trade creditors	225,967	310,642
Amounts owed to group undertakings	148,965	-
Other creditors including taxation and social security:		
Other taxes and social security	6,055	22,291
Accruals and deferred income	41,413	12,732
Obligations under hire purchase contracts	5,605	5,535
	<u>492,861</u>	<u>551,200</u>

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

Parent and fellow subsidiary undertakings	<u>148,965</u>	<u>-</u>
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Trade creditors include an amount of £138,906 (1993 : £233,121) in respect of new vehicles held on consignment.

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

	1994	1993
	£	£
Obligations under hire purchase contracts	<u>13,280</u>	<u>12,357</u>

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

	1994	1993
	£	£
Creditors: amounts falling due within one year	5,605	5,535
Creditors: amounts falling due after more than one year	<u>13,280</u>	<u>12,357</u>
	<u>18,885</u>	<u>17,892</u>

The amounts falling due after more than one year are all payable within two to five years.

# West Swindon Garage Limited

## Notes (continued)

### 14 Called up share capital

	1994 £	1993 £
<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 Reconciliations of operating loss to net cash outflow from operating activities

	1994 £	1993 £
Operating loss	(126,901)	(53,363)
Depreciation charge	11,718	12,852
Profit on sale of tangible fixed assets	(705)	(1,219)
Decrease/(increase) in stocks	179,664	(38,535)
(Increase)/decrease in debtors	(32,351)	44,454
(Decrease)/increase in creditors	<u>(53,423)</u>	<u>261</u>
Net cash outflow from operating activities	<u>(21,998)</u>	<u>(35,550)</u>

### 16 Analysis of changes in cash and cash equivalents during the year

	Cash £	Overdraft £	Net £
Balance at 1 January 1993	80	(87,355)	(87,275)
Net cash inflow	<u>7,709</u>	<u>87,355</u>	<u>95,064</u>
Balance at 1 January 1994	7,789	-	7,789
Net cash outflow	<u>(7,659)</u>	<u>(19,461)</u>	<u>(27,120)</u>
Balance at 31 December 1994	<u>130</u>	<u>(19,461)</u>	<u>(19,331)</u>



# West Swindon Garage Limited

## Notes (continued)

### 17 Analysis of changes in financing during the year

	Loans and finance lease obligations	
	1994	1993
	£	£
At beginning of year	217,892	74,076
Cash (outflow)/inflow from financing	(2,057)	140,296
Inception of finance lease contracts	3,050	3,520
	<u>218,885</u>	<u>217,892</u>
At end of year		

### 18 Reserves

	Profit and loss account
	£
At beginning of year	(81,262)
Retained loss for the year	(97,738)
	<u>(179,000)</u>
At end of year	

### 19 Reconciliation of movement in shareholders' funds

	1994	1993
	£	£
Loss for the financial year	(97,738)	(43,900)
Opening shareholders' funds	118,738	162,638
	<u>21,000</u>	<u>118,738</u>
Closing shareholders' funds		

### 20 Commitments

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

# West Swindon Garage Limited

## Notes *(continued)*

### 21 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 £8,271 (1993 : £12,948). There were no outstanding or prepaid contributions at either the beginning or the end of the year.

### 22 Post balance sheet event

On 8 February 1995, notice was given to terminate the franchise agreement with Mazda.

### 23 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.*