

2489508

Andre Baldet Limited

Report and Accounts

31 DECEMBER 1996



Andre Baldet Limited

Company No. 2489508

DIRECTORS

R Barber
G E C Andrews
M Ellison
A Nerdrum

SECRETARY

M Ellison

AUDITORS

Ernst & Young
400 Capability Green
Luton
Bedfordshire
LU1 3LU

BANKERS

Lloyds Bank plc
George Row
Northampton
NN1 1DJ

SOLICITORS

MacFarlanes
10 Norwich Street
London
EC4A 1BD

REGISTERED OFFICE

Redfern House
105 Ashley Road
St Albans
Herts
AL1 5GD

Andre Baldet Limited

DIRECTORS' REPORT

The directors submit their report together with audited accounts for the year ended 31 December 1996.

RESULTS AND DIVIDENDS

The profit for the year is set out in the profit and loss account on page 6. The retained profit of £205,781 (1995 - £196,245) is transferred to reserves.

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The company's principal activities continued to be dealing in motor vehicles, spares and accessories and carrying out repairs to motor vehicles.

REVIEW OF THE BUSINESS

The directors are pleased to report an increase in the profits for the year despite difficult trading conditions and consider the company's state of affairs to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

G G Lintott
G E Andrews
M Ellison
A Nerdrum

G G Lintott resigned on 4 March 1997 and R Barber appointed on that date.

A Nerdrum G G Lintott and M Ellison are directors of Caverdale Group PLC, the ultimate parent undertaking, and their interests in the shares of Caverdale Group PLC are stated in the directors' report of that company.

G E Andrews is a director of Caverdale Motor Holdings Limited and his interests in the shares of Caverdale Group PLC is stated in the directors' report of that company.

AUDITORS

During the year Pannell Kerr Forster resigned as auditors and the directors appointed Ernst & Young in their place. A resolution to reappoint Ernst & Young as auditors will be put to members at the Annual General Meeting.

By Order of the Board



Secretary

5 September 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Andre Baldet Limited

We have audited the accounts on pages 6 to 14, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Luton

1 2 SEP 1997

Andre Baldet Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1996

	Notes	1996 £	1995 £
TURNOVER	2	15,419,582	14,026,124
Cost of sales		13,254,536	12,013,281
GROSS PROFIT		2,165,046	2,012,843
Distribution costs		1,197,806	1,062,044
Administrative expenses		674,185	687,651
OPERATING PROFIT	4	293,055	263,148
Interest receivable	6	—	197
Interest payable and similar charges	7	(54,211)	(51,955)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		238,844	211,390
Tax on profit on ordinary activities	8	33,063	15,145
PROFIT FOR THE FINANCIAL YEAR	16	205,781	196,245

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

Andre Baldet Limited

BALANCE SHEET at 31 December 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	9	68,236	486,775
CURRENT ASSETS			
Stocks	10	1,172,424	1,901,534
Debtors	11	930,198	534,975
Cash at bank and in hand		189,582	793
		<u>2,292,204</u>	<u>2,437,302</u>
CREDITORS: amounts falling due within one year	12	1,156,873	1,914,276
NET CURRENT ASSETS		<u>1,135,331</u>	<u>523,026</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,203,567</u>	<u>1,009,801</u>
CREDITORS: amounts falling due after more than one year	13	—	10,686
PROVISION FOR LIABILITIES AND CHARGES	14	—	1,329
		<u>1,203,567</u>	<u>997,786</u>
CAPITAL AND RESERVES			
Called up share capital	15	400,000	400,000
Profit and loss account	16	803,567	597,786
EQUITY SHAREHOLDERS' FUNDS	17	<u>1,203,567</u>	<u>997,786</u>

Q202

Director

5/9/97

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset at the following rates per annum.

Freehold buildings	-	1-2%
Plant and machinery	-	20% on a straight line basis
Motor vehicles	-	25% on a straight line basis
Leasehold property	-	over period of lease

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

New vehicles	-	at purchase cost
Used vehicles	-	at lower of purchase cost or trade in value and value based upon prices give by trade publication "Glass's Guide"
Sundries	-	at purchase cost
Parts	-	at current cost less a provision for obsolescence
Demonstrator vehicles	-	at variable percentages of cost or written down value dependent upon date of registration

Provision is made for obsolete, slow-moving and damaged stocks.

Stocks include interest bearing consignment stocks with the corresponding liabilities included in creditors.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

Finance and operating leases

Tangible fixed assets acquired under the terms of finance leases have been capitalised at cost and depreciated in the same manner as owned assets. The capital element of future lease payments is included as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Rentals paid under operating leases are recognised in the profit and loss account over the lives of the lease agreements as incurred.

Pensions

The company operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost represents contributions payable by the company to the fund in respect of the year.

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

2. TURNOVER

Turnover represents the invoiced value of goods sold and services provided stated net of value added tax. The directors consider that the whole of the turnover arises from one class of business and is derived within the United Kingdom.

3. STAFF COSTS

	1996 £	1995 £
Wages and salaries	995,930	912,236
Social security costs	92,559	85,413
Other pension costs	19,770	19,847
	<u>1,108,259</u>	<u>1,017,496</u>

The average monthly number of employees during the year was as follows:

	1996 Number	1995 Number
Office, management and selling	19	18
Service and parts	48	48
	<u>67</u>	<u>66</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	1996 £	1995 £
Auditors' remuneration	10,800	10,000
Depreciation	43,157	54,340
Operating lease rentals - land and buildings	82,500	89,300
Hire of plant	-	603
	<u></u>	<u></u>

5. DIRECTORS' REMUNERATION

None of the directors received any remuneration for their services (1995 - £Nil).

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

6. INTEREST RECEIVABLE

	1996 £	1995 £
Other	-	197

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Bank overdraft	11,174	4,380
Other loans wholly repayable within 5 years	42,901	47,167
Finance leases	136	408
	<u>54,211</u>	<u>51,955</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year:

	1996 £	1995 £
UK corporation tax at 33%	85,904	78,479
Deferred tax credit	(1,329)	(6,252)
UK corporation tax - adjustment in respect of prior years	(51,512)	(57,082)
	<u>33,063</u>	<u>15,145</u>

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

9. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £	<i>Freehold land and buildings</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost						
At 1 January 1996	23,166	408,022	92,675	169,426	13,632	706,921
Additions	9,270	—	4,866	14,685	—	28,821
Disposals	(11,500)	(408,022)	—	—	(1,632)	(421,154)
At 31 December 1996	20,936	—	97,541	184,111	12,000	314,588
Depreciation:						
At 1 January 1996	19,203	9,744	60,266	125,775	5,158	220,146
Provided during the year	490	4,872	9,969	25,234	2,592	43,157
Disposals	(2,335)	(14,616)	—	—	—	(16,951)
At 31 December 1996	17,358	—	70,235	151,009	7,750	246,352
Net book amounts						
At 31 December 1996	3,578	—	27,306	33,102	4,250	68,236
At 1 January 1996	3,963	398,278	32,409	43,651	8,474	486,775

Included in the above are the following amounts in respect of assets held under finance leases and hire purchase contracts.

	<i>Fixtures, fittings and equipment</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Net book value	6,767	1,822	4,250	12,839
Depreciation Charge for year	2,800	11,638	2,592	17,030

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

10. STOCKS

	1996 £	1995 £
New and used vehicles	521,412	452,539
Consignment vehicles	388,658	1,196,142
Parts and sundries	262,354	252,853
	<u>1,172,424</u>	<u>1,901,534</u>

The company also has vehicle consignment stock of £1,741,518 (1995 - £647,173) where the benefits and risks associated with the vehicles remains with the manufacturer until transfer of title and consequently this stock has not been recognised as an asset of the company.

11. DEBTORS

	1996 £	1995 £
Trade debtors	340,313	397,692
Amounts due from fellow subsidiary undertakings	412,171	21,657
Other debtors	81,441	37,965
Prepayments and accrued income	96,273	77,661
	<u>930,198</u>	<u>534,975</u>

12. CREDITORS: amounts falling due within one year

	1996 £	1995 £
Bank overdraft	-	78,671
Obligation under finance leases	2,405	3,032
Trade creditors	717,890	1,512,470
Amounts owed to parent and fellow subsidiary undertakings	111,049	82,082
Corporation tax payable	81,955	78,479
Other taxation and social security	96,370	40,549
Other creditors	47,938	32,191
Accruals	99,266	86,802
	<u>1,156,873</u>	<u>1,914,276</u>

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

13. CREDITORS: amounts falling due after more than one year

	1996 £	1995 £
Obligations under finance leases	—	10,686

Obligations under finance leases are secured on the assets concerned and are repayable as follows:

	1996 £	1995 £
Within one year	2,405	3,032
Between 1 and 2 years	—	10,686
	<u>2,405</u>	<u>13,718</u>

14. PROVISION FOR LIABILITIES AND CHARGES

	1996 £	1995 £
Deferred taxation:		
At 1 January 1996	1,329	7,581
Credited to profit and loss account	(1,329)	(6,252)
At 31 December 1996	<u>—</u>	<u>1,329</u>
Provided in respect of:		
Accelerated capital allowances	—	1,329
	<u>—</u>	<u>1,329</u>

The deferred tax balance above comprises the full potential liability to deferred tax.

15. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised:		
Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

Andre Baldet Limited

NOTES TO THE ACCOUNTS at 31 December 1996

16. MOVEMENTS ON RESERVES

	<i>Profit and loss account £</i>
At 1 January 1996	597,786
Retained profit for the year	205,781
At 31 December 1996	<u>803,567</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>1996 £</i>	<i>1995 £</i>
Retained profit for the year	205,781	196,245
Equity shareholders' funds at 1 January 1996	997,786	801,541
Equity shareholders' funds at 31 December 1996	<u>1,203,567</u>	<u>997,786</u>

18. FINANCIAL COMMITMENTS

Operating leases

At 31 December 1996, the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings 1996 £</i>	<i>1995 £</i>
Operating leases which expire: After five years	<u>60,000</u>	<u>60,000</u>

19. CONTINGENT LIABILITIES

The company, along with fellow subsidiary undertakings, has guaranteed borrowings, amounting to £1,000,000 (1995 - £1,000,000) of a fellow subsidiary undertaking. This guarantee is secured by a floating charge over new and used vehicle stocks.

The company has guaranteed the bank overdrafts of certain group undertakings. The amount outstanding under this arrangement at 31 December 1996 was £7,144,000 (1995: £3,004,367).

20. PARENT UNDERTAKING

The company's ultimate parent undertaking is Caverdale Group PLC, a company registered in England and Wales. Caverdale Group PLC prepares group accounts incorporating the financial statements of the Company. Copies of the financial statements of Caverdale Group PLC are available from 105 Ashley Road, St Albans, Herts AL1 5GD.