

**WARWICK SHUBROOK LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 1999**

**PANNELL KERR FORSTER**



# WARWICK SHUBROOK LIMITED

## COMPANY INFORMATION

<b>Directors</b>	W M G Shubrook Mrs J Easter
<b>Secretary</b>	Mrs J Easter
<b>Company Number</b>	2596913
<b>Registered Office</b>	Station Road Great Yarmouth Norfolk NR31 0HB
<b>Auditors</b>	Pannell Kerr Forster 141 King Street Great Yarmouth Norfolk NR30 2PQ

# WARWICK SHUBROOK LIMITED

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**WARWICK SHUBROOK LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 1999**

The directors submit their report and the financial statements for the year ended 31 December 1999.

**Results and dividends**

The profit for the year, after taxation, amounted to **£205,534** (1998 - £155,121 ).

The directors do not recommend the payment of a dividend leaving a balance of **£205,534** which is transferred to retained reserves.

**Principal activity and review of business**

The principal activity of the company during the year was the operation of a motor dealer franchise, used car sales and associated repair services. During the year the company purchased the assets of a vehicle accident repair business.

**Future developments**

The directors are satisfied with the results for the year and expect to maintain the performance over the ensuing year.

**Market value of land and buildings**

In the opinion of the directors the market value of land and buildings is in excess of their cost.

**Directors**

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	Ordinary £1 shares		Preference shares	
	1999	1998	1999	1998
W M G Shubrook	175,000	175,000	1	1
Mrs J Easter	-	-	-	-

There were no options either granted or exercised during the financial year.

**Charitable contributions**

During the year the company made charitable donations of £385.

**Auditors**

The auditors, Pannell Kerr Forster, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board



**Mrs J Easter**  
Secretary

# **WARWICK SHUBROOK 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 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 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' REPORT TO THE SHAREHOLDERS OF  
WARWICK SHUBROOK LIMITED**

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on pages 7 to 8.

**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.

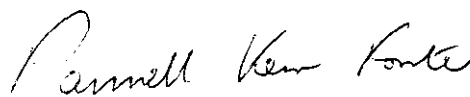
**Basis of opinion**

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 affairs of the company as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PANNELL KERR FORSTER**

Great Yarmouth

26 April 2000

Registered Auditors

**WARWICK SHUBROOK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>TURNOVER</b>			
Continuing		13,717,200	14,471,997
Acquisitions		404,227	-
		<hr/>	<hr/>
<b>Total Turnover</b>	2	14,121,427	14,471,997
Cost of sales		(12,006,905)	(12,538,997)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		2,114,522	1,933,000
Administrative expenses		(2,139,014)	(1,899,578)
Other operating income		399,752	339,477
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>			
Continuing operations		340,236	372,899
Acquisitions		35,024	-
		<hr/>	<hr/>
<b>Total operating profit</b>	3	375,260	372,899
		<hr/>	<hr/>
Interest receivable and similar items	6	11,106	13,470
Interest payable and similar items	7	(129,504)	(185,602)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		256,862	200,767
<b>TAXATION</b>	8	(51,328)	(45,646)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	18	205,534	155,121
		<hr/>	<hr/>

All amounts relate to continuing operations.

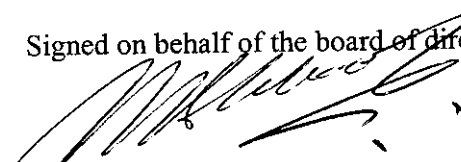
There were no recognised gains or losses for the year other than those included in the profit and loss account.

**WARWICK SHUBROOK LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible	9	1,509,674	1,410,609
<b>CURRENT ASSETS</b>			
Stocks	10	2,914,902	3,247,067
Debtors	11	486,625	409,806
Cash at bank and in hand		290,003	229,810
		<u>3,691,530</u>	<u>3,886,683</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(2,209,178)</u>	<u>(1,649,683)</u>
<b>NET CURRENT ASSETS</b>		<u>1,482,352</u>	<u>2,237,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,992,026</u>	<u>3,647,609</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13	(1,794,782)	(2,661,336)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	<u>(49,475)</u>	<u>(51,436)</u>
<b>NET ASSETS</b>		<u><u>1,147,769</u></u>	<u><u>934,837</u></u>
<b>CAPITAL AND RESERVES (including non-equity interests)</b>			
Called up share capital	17	175,001	175,001
Revaluation reserve	18	7,398	-
Capital redemption reserve		497,061	497,061
Profit and loss account	18	468,309	262,775
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>1,147,769</u></u>	<u><u>934,837</u></u>

The financial statements were approved by the board on

Signed on behalf of the board of directors

  
W M G Shubrook Director

7/1/00



**WARWICK SHUBROOK LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 1999**

	1999	1998
	£	£
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	375,260	372,899
Depreciation of tangible fixed assets	81,360	68,757
(Increase)/decrease in debtors	(76,819)	53,528
Decrease in stocks	333,965	112,983
(Decrease)/increase in creditors	(258,682)	28,734
<b>Net cash inflow from operating activities</b>	<u>455,084</u>	<u>636,901</u>
<b>CASH FLOW STATEMENT (note 20)</b>		
Net cash inflow from operating activities	455,084	636,901
Returns on investments and servicing of finance	(118,398)	(172,133)
Taxation	(39,003)	(52,950)
Capital expenditure	(21,027)	(49,007)
Acquisitions and disposals	(153,800)	-
<b>Financing</b>	<u>122,856</u>	<u>362,811</u>
	(62,663)	(446,815)
<b>Increase/decrease in cash</b>	<u>60,193</u>	<u>(84,004)</u>
<b>Reconciliation of net cash flow to movement in net debt (note 21)</b>		
Increase/decrease in cash in the period	60,193	(84,004)
Cash inflow from increase in debt	62,663	446,815
<b>Change in net debt</b>	<u>122,856</u>	<u>362,811</u>
Net debt at 1 January 1999	(1,000,058)	(1,362,869)
<b>Net debt at 31 December 1999</b>	<u>(877,202)</u>	<u>(1,000,058)</u>

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties..

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**(c) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2 % straight line
Plant, machinery, fixtures, fittings & office equipment	10 - 33% straight line
Motor vehicles	25 % straight line

Freehold land is not depreciated. Leasehold land and buildings and assets held on finance leases are depreciated over the life of the respective leases.

**(d) Investment properties**

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 (SSAP 19) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

**(e) Finance and operating leases**

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown 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.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

**(f) Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred. Net realisable value is based on estimated selling price allowing for all further costs of disposal.

In accordance with Financial Reporting Standard No. 5, Reporting the Substance of Transactions, consignment stocks are not recognised on the balance sheet because in substance they are not the assets of the company until an allocation has in principal been made to customer order.

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**(g) Deferred taxation**

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

**(h) Pensions**

The company operates two defined contribution pension schemes for directors and employees and the pension charge in the profit and loss account represents the amounts payable by the company to the funds in respect of the year.

**(i) Motability repurchase arrangements**

The company has certain obligations to repurchase vehicles at a pre-determined residual price upon the expiry of contracts, usually after three years, under agreements with Motability Finance Limited. The assets and corresponding liabilities have been disclosed in the balance sheet at the repurchase price. Where there is no obligation to repurchase vehicles, no disclosure is made.

**2 TURNOVER**

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

**3 OPERATING PROFIT**

The operating profit is stated after charging:

	1999	1998
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	74,646	68,501
- held under finance lease or hire purchase contracts	6,714	256
Audit fees	6,600	6,600
Operating lease rentals:		
- other	46,416	46,675
	<u>          </u>	<u>          </u>

**4 DIRECTORS' EMOLUMENTS AND BENEFITS**

	1999	1998
	£	£
Directors' emoluments	122,363	113,811
Contributions to money purchase pension schemes	3,787	5,157
	<u>          </u>	<u>          </u>

The numbers of directors who were members of company pension schemes were:

	No.	No.
Money purchase schemes	2	2
	<u>          </u>	<u>          </u>

The number of directors who received shares or became entitled to receive shares under long term incentive schemes was **NIL** (1998 - **NIL**).

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**5 STAFF COSTS**

Staff costs, including directors' emoluments, were as follows:

	1999	1998
	£	£
Wages and salaries	1,458,540	1,277,811
Social security costs	122,708	114,669
Other pension costs	8,537	9,330
	<u>1,589,785</u>	<u>1,401,810</u>

The average monthly number of employees, including executive directors, during the year was:

	No.	No.
Sales, repairs and administration	<u>114</u>	<u>101</u>

**6 INTEREST RECEIVABLE AND SIMILAR ITEMS**

	1999	1998
	£	£
Other interest receivable	<u>11,106</u>	<u>13,470</u>

**7 INTEREST PAYABLE AND SIMILAR ITEMS**

	1999	1998
	£	£
Bank loans and overdrafts	23,490	34,610
Other loans	101,579	150,368
Finance charges under finance lease and hire purchase contracts	4,435	624
	<u>129,504</u>	<u>185,602</u>

**8 TAXATION**

	1999	1998
	£	£
<b>Current year taxation</b>		
UK corporation tax at 20.25% (1998 - 21%)	53,289	39,003
Transfer (from)/to deferred taxation	(1,961)	6,436
	<u>51,328</u>	<u>45,439</u>
Total UK taxation		
<b>Adjustments in respect of prior periods</b>		
Corporation tax	-	207
	<u>51,328</u>	<u>45,646</u>

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**9 TANGIBLE FIXED ASSETS**

	Land & buildings £	Plant & machinery £	Fixtures, fittings, tools & equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 1999	1,373,557	226,908	156,288	1,756,753
Additions	110,732	42,596	19,699	173,027
Revaluations	7,398	-	-	7,398
At 31 December 1999	1,491,687	269,504	175,987	1,937,178
<b>Depreciation</b>				
At 1 January 1999	93,863	126,973	125,308	346,144
Charge for year	24,102	33,462	23,796	81,360
At 31 December 1999	117,965	160,435	149,104	427,504
<b>Net book amount</b>				
At 31 December 1999	1,373,722	109,069	26,883	1,509,674
At 31 December 1998	1,279,694	99,935	30,980	1,410,609

The net book amount of land and buildings comprises:

	1999 £	1998 £
Freeholds	1,268,722	1,279,694
Long leaseholds	105,000	-
	<u>1,373,722</u>	<u>1,279,694</u>

Included within freehold land and buildings is an investment property. The property was purchased during the previous year at a cost of £17,000. Costs of £4,602 have been incurred during the year in renovating the property. The property has not been depreciated in accordance with SSAP 19. The directors have revalued the property at the balance sheet date to what they consider to be its open market value.

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	1999 £	1998 £
Plant & machinery	32,058	-
Fixtures & fittings etc	8,228	-
	<u>40,286</u>	<u>-</u>

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**10 STOCKS**

	1999	1998
	£	£
Consignment stocks	151,486	205,031
Work in progress	14,043	9,038
Finished goods and goods for resale	1,117,882	938,881
Motability repurchase vehicles	1,631,491	2,094,117
	<u>2,914,902</u>	<u>3,247,067</u>

The company has an obligation to repurchase vehicles under agreements with Motability Finance Limited, such repurchase is usually required after three years. The assets and corresponding liabilities have been recorded at the repurchase price. The value of repurchase vehicles due after more than one year is **£847,969** (1998 - £1,629,746).

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principal been made to customer order. All other consignment vehicles are available for allocation to other Vauxhall Retailers. Consignment stock excluded from the balance sheet at 31 December 1999 had a cost of **£700,846** (1998 - £1,183,122).

There were no significant differences between the replacement cost and the values disclosed above.

**11 DEBTORS**

	1999	1998
	£	£
<b>Due within one year</b>		
Trade debtors	286,264	289,115
Other debtors	161,719	111,624
Prepayments & accrued income	38,642	9,067
	<u>486,625</u>	<u>409,806</u>

**12 CREDITORS:**

**Amounts falling due within one year**

	1999	1998
	£	£
Bank loans and overdrafts (note 14)	15,113	14,527
Motability repurchase commitments	783,522	464,371
Trade creditors	968,185	832,276
Corporation tax	53,289	39,003
Other tax and social security	136,199	108,644
Net obligations under finance lease and hire purchase contracts (note 15)	7,129	9,001
Other creditors (note 14)	199,226	175,992
Accruals and deferred income	46,515	5,869
	<u>2,209,178</u>	<u>1,649,683</u>

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**13 CREDITORS:**

**Amounts falling due after more than one year**

	1999 £	1998 £
Bank loans (note 14)	318,697	337,610
Net obligations under finance lease and hire purchase contracts (note 15)	30,886	-
Other creditors (note 14)	597,230	693,980
Motability repurchase commitments	847,969	1,629,746
	<u>1,794,782</u>	<u>2,661,336</u>

Included within creditors falling due after more than one year above are amounts in respect of debts not wholly payable within five years of the balance sheet date as follows:

	1999 £	1998 £
Bank loans	245,148	267,336
Other creditors	287,896	315,646
	<u>533,044</u>	<u>582,982</u>

**14 LOANS**

Loans fall due for payment as follows:

	1999 £	1998 £
<b>Other loans (included in other creditors above)</b>		
Within one year	198,150	174,750
Between one and two years	171,484	174,750
Between two and five years	137,850	203,584
After more than five years	287,896	315,646
	<u>795,380</u>	<u>868,730</u>
<b>Bank loans</b>		
Within one year	15,113	14,527
Between one and two years	16,322	15,653
Between two and five years	57,227	54,621
After more than five years	245,148	267,336
	<u>333,810</u>	<u>352,137</u>

A bank loan of £333,810 (1998 - £352,137) is secured by a legal mortgage over the company's freehold property in Great Yarmouth under a deed of priority of £337,000. The loan is repayable by instalments and carries interest at a commercial rate.

Other loans included in other creditors are secured by legal charges over the company's assets, are repayable by instalments and carry interest at commercial rates.

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**15 FINANCE LEASES**

Net obligations under finance lease and hire purchase agreements fall due as follows:

	1999	1998
	£	£
Within one year	7,129	9,001
Between one and five years	30,886	-
	<u>38,015</u>	<u>9,001</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

**16 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £
At 1 January 1999	51,436
Charged to profit and loss	(1,961)
At 31 December 1999	<u>49,475</u>

Deferred tax is analysed as follows:

	Provided		Not provided	
	1999	1998	1999	1998
	£	£	£	£
Capital allowances	<u>49,475</u>	<u>51,436</u>	<u>-</u>	<u>-</u>

**17 SHARE CAPITAL**

	Authorised £	Allotted, called up and fully paid	
		No.	£
At 1 January 1999 and 31 December 1999			
Ordinary shares of £1 each	175,000	175,000	175,000
Redeemable preference shares of £1 each	484,000	1	1
	<u>659,000</u>	<u>175,001</u>	<u>175,001</u>

The redeemable preference share is a non equity share.



**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**18 RESERVES**

<b>Revaluation reserve</b>	<b>£</b>
At 1 January 1999	-
Revaluation during the year	7,398
	<u>7,398</u>
At 31 December 1999	<u>7,398</u>
 <b>Profit and loss account</b>	 <b>£</b>
At 1 January 1999	262,775
Profit for the year	205,534
	<u>468,309</u>
At 31 December 1999	<u>468,309</u>

**19 SHAREHOLDERS' FUNDS**

	1999	1998
	£	£
Shareholders' funds at 1 January 1999	934,837	779,716
Profit for the year	205,534	155,121
Revaluation of investment property	7,398	-
	<u>1,147,769</u>	<u>934,837</u>
Shareholders' funds at 31 December 1999	<u>1,147,769</u>	<u>934,837</u>
 Shareholders' funds include amounts attributable to non-equity interests as follows:		
Redeemable preference share and dividend	1	1
Equity interests	1,147,768	934,836
	<u>1,147,769</u>	<u>934,837</u>
Total	<u>1,147,769</u>	<u>934,837</u>

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**20 GROSS CASH FLOWS**

	1999 £	1998 £
<b>Returns on investments and servicing of finance</b>		
Interest received	11,106	13,470
Interest paid	(125,069)	(184,979)
Interest element of finance lease rentals	(4,435)	(624)
	<u>(118,398)</u>	<u>(172,133)</u>
<b>Taxation</b>		
Corporation tax paid	(39,003)	(52,950)
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(21,027)	(49,007)
	<u>(21,027)</u>	<u>(49,007)</u>
<b>Acquisitions and disposals</b>		
Purchase of business	(153,800)	-
	<u>(153,800)</u>	<u>-</u>
<b>Financing</b>		
New loans	117,000	-
Sale and lease back of fixed assets	47,000	-
Loans repaid	(208,677)	(434,941)
Capital element of finance lease rentals	(17,986)	(11,874)
	<u>(62,663)</u>	<u>(446,815)</u>

**21 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 1999 £	Cash flows £	Other changes £	At 31 December 1999 £
Cash at bank and in hand	229,810	60,193	-	290,003
		<u>60,193</u>		
Debt due within 1 year	(189,277)	(23,986)	-	(213,263)
Debt due after 1 year	(1,031,590)	115,663	-	(915,927)
Finance leases	(9,001)	(29,014)	-	(38,015)
Total	<u>(1,000,058)</u>	<u>122,856</u>	<u>-</u>	<u>(877,202)</u>

**WARWICK SHUBROOK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**22 OTHER COMMITMENTS**

At 31 December 1999 the company had annual commitments under operating leases as follows:

	1999	Other	1998
	£		£
<b>Expiry date:</b>			
Within 1 year	37,756		-
Between 1 and 5 years	-		39,534
	<u>          </u>		<u>          </u>

**23 PENSION COSTS**

The company operates two defined contribution pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension cost charge for the year is shown in note 5.

**24 CONTROLLING PARTY**

The company is controlled and ultimately controlled by Warwick Shubrook.