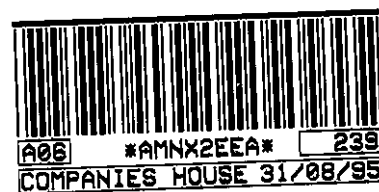


Company No 2841660

Grant Thornton 



**MILES (CHESHAM) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 DECEMBER 1994**

**MILES (CHESHAM) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 1994**

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Company registration number:

2841660

Registered office:

Motors Secretaries Limited  
27 Chancery Lane  
LONDON  
WC2A 1NF

Directors:

Motors Directors Limited  
Mr P W Gladwin

Secretary:

Motors Secretaries Limited

Bankers:

National Westminster Bank plc  
P O Box 498  
13 High Street  
CHESHAM  
Bucks  
HP5 1BQ

Solicitors:

Rakisons  
27 Chancery Lane  
LONDON  
WC2A 1NF

Auditors:

Grant Thornton  
Registered Auditors  
Chartered Accountants  
Grant Thornton House  
Kettering Parkway  
KETTERING  
Northants  
NN15 6XR

**MILES (CHESHAM) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 1994**

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Balance sheet	6
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# **MILES (CHESHAM) LIMITED**

## **REPORT OF THE DIRECTORS**

The directors present their report together with financial statements for the period ended 31 December 1994.

### **Principal activities**

The company is principally engaged in purchasing, selling and repairing of motor vehicles and other ancillary services.

### **Business review**

The company was incorporated on 2 August 1993 and commenced trading during June 1994.

Substantial losses were recorded in the first period of trading, with overheads being at a significantly higher level than the turnover achieved was able to absorb. Since the year end, a number of redundancies have been made, and a new dealer principal appointed with an agreed fresh injection of funds. The directors believe that these events will enable the company to redress the position and return to profitability in the near future.

There was a loss for the period after taxation amounting to £246,477. The directors cannot recommend payment of a dividend and the loss has therefore been deducted from reserves.

### **Directors**

The present membership of the Board is set out below. Mr S R Miles and Mr P W Gladwin were appointed to the Board on 30 November 1993 at which time Mr J T Brown resigned.

On 14 January 1994 Mr P W Gladwin resigned from the Board and Motors Directors Limited were appointed.

The interests of the directors and their families in the shares of the company at their date of appointment and at 31 December 1994 were as follows:

	Ordinary shares	Date of appointment Preference shares	31 December 1994	
			Ordinary shares	Preference shares
S R Miles	0	0	75,000	1
Motors Directors Limited	0	0	0	0

On 27 February 1995, Mr S R Miles resigned from the Board and Mr P W Gladwin was appointed.

Motors Directors Limited is a company related to Vauxhall Motors Limited who own all the remaining preference shares at 31 December 1994.

# MILES (CHESHAM) LIMITED

## REPORT OF THE DIRECTORS

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### Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Fixed assets

#### Movements

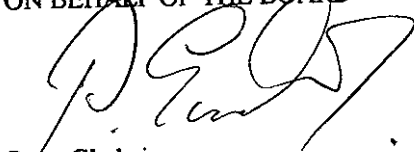
The principal item of capital expenditure has been monies spent on refurbishing the leasehold premises.

### Auditors

Messrs H H Burke & Co resigned as auditors on 16 May 1995 and were replaced by Grant Thornton.

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Peter Gladwin

Director

18 August 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**MILES (CHESHAM) LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on pages 1 and 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**

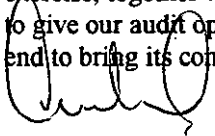
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 at 31 December 1994 and of its loss for the period then ended and except for the matter referred to below, have been properly prepared in accordance with the Companies Act 1985.

The company has not kept proper accounting records during the period as required by Section 221 of the Companies Act 1995. Subsequent to the period end, the accounting records were re-created manually, and this exercise, together with the review of management accounts for the 3 month period to 31 March 1995, enabled us to give our audit opinion without limitation of scope. The company has taken the appropriate steps since the year end to bring its computerised accounting records up to date and to maintain them on a day to day basis.

  
**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
KETTERING**

*23 Sept 1995*

## **MILES (CHESHAM) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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The financial statements have been prepared under the historical cost convention.

#### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### **Depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Leasehold improvements	21	years
Plant and machinery	5	years
Motor vehicles	5	years
Fixtures, fittings and office equipment	5	years

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

#### **Deferred taxation**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### **Leased assets**

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**MILES (CHESHAM) LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31 DECEMBER 1994**

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	<b>Note</b>	<b>1994 £</b>
Turnover	1	2,843,001
Cost of sales		<u>2,573,198</u>
Gross profit		269,803
Other operating income and charges	2	<u>512,028</u>
Operating loss		(242,225)
Net interest	3	<u>(4,252)</u>
<b>Loss on ordinary activities before taxation</b>	1	(246,477)
Tax on loss on ordinary activities	5	<u>0</u>
<b>Loss for the financial year transferred from reserves</b>	13	<u><u>(246,477)</u></u>

There were no recognised gains or losses other than the result for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.



# MILES (CHESHAM) LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

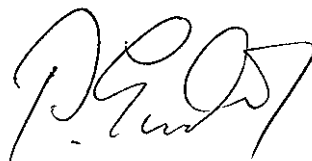
	Note	£	1994 £
<b>Fixed assets</b>	6		417,379
<b>Current assets</b>	7	396,091	
Stocks	8	194,738	
Debtors		596	
Bank and cash			
		591,425	
<b>Creditors: amounts falling due within one year</b>	9	551,178	
<b>Net current assets</b>			40,247
			457,626
<b>Creditors: amounts falling due after more than one year</b>	10		329,103
			128,523
<b>Capital and reserves</b>			
Share capital	12		375,000
Profit and loss account	13		(246,477)
<b>Shareholders' funds</b>	14		128,523
Equity shareholders' funds			(171,477)
Non-equity shareholders' funds			300,000
			128,523

The financial statements were approved by the Board of Directors on 18 August 1995

P W Gladwin



Motors Directors Limited



The accompanying accounting policies and notes form an integral part of these financial statements

# **MILES (CHESHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 1994**

---

### **1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The turnover and loss before taxation are attributable to one activity; the purchasing, selling and repairing of motor vehicles and other ancillary services.

The loss on ordinary activities is stated after:

	1994 £
Auditors' remuneration	2,500
Hire of plant and machinery	14,435
Operating leases	85,000
Depreciation	<u>15,499</u>

### **2 OTHER OPERATING INCOME AND CHARGES**

	1994 £
Administrative expenses	629,130
Dealership commissions and incentives	(47,935)
Start up contributions	<u>(69,167)</u>
	<u>512,028</u>

### **3 NET INTEREST**

	1994 £
On bank loans, overdrafts and other loans:	
Repayable within 5 years, otherwise than by instalments	13,874
Other interest receivable and similar income	<u>(9,622)</u>
	<u>4,252</u>

### **4 DIRECTORS AND EMPLOYEES**

	1994 £
Staff costs during the year were as follows:	
Wages and salaries	297,392
Social security costs	<u>29,296</u>
	<u>326,688</u>

# **MILES (CHESHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 1994**

### **DIRECTORS AND EMPLOYEES (CONTINUED)**

The average number of employees of the company during the period was 30.

Remuneration in respect of directors was as follows:

	1994 £
Management remuneration	<u>32,233</u>

The emoluments of the directors excluding pension contributions were as follows:

	£
The Chairman	<u>0</u>
Highest paid director	<u>32,233</u>
Other directors £0 - £5,000	<u>2</u>

### **5 TAX ON LOSS ON ORDINARY ACTIVITIES**

Estimated unrelieved tax losses of £200,000 remain available to offset against future taxable trading profits.

### **6 FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and office equipment £	Motor vehicles £	Total £
Cost					
Additions	<u>337,542</u>	<u>54,336</u>	<u>6,065</u>	<u>34,935</u>	<u>432,878</u>
At 31 December 1994	<u>337,542</u>	<u>54,336</u>	<u>6,065</u>	<u>34,935</u>	<u>432,878</u>
Depreciation					
Provided in the period	<u>8,532</u>	<u>3,352</u>	<u>611</u>	<u>3,004</u>	<u>15,499</u>
At 31 December 1994	<u>8,532</u>	<u>3,352</u>	<u>611</u>	<u>3,004</u>	<u>15,499</u>
Net book amount at 31 December 1994	<u>329,010</u>	<u>50,984</u>	<u>5,454</u>	<u>31,931</u>	<u>417,379</u>

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 1994

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### 7 STOCKS

1994

£

Goods for resale

396,091

Vauxhall Motors Limited operate a finance plan for sale or return vehicles. The total value of new vehicles held under sale or return (including in central compound) was £170,682. The main terms under which the stock was held were:

The company has the right to return obsolete stock, although there is a bonus scheme which encourages adoption of the vehicles.

There is an interest free period after which interest is charged. Vehicles are normally adopted and sold before interest charges arise.

GMAC insures all consignment vehicles and includes them in its balance sheet.

Any vehicle price change will be reflected in the price charged to the company when the vehicle is adopted.

The company can refuse to allow the transfer of the consignment stock if they have a firm order.

The nature of the agreement is such that these vehicles are not in substance an asset of the dealer, and therefore not included in the balance sheet.

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

### 8 DEBTORS

1994

£

Trade debtors

84,436

Other debtors

84,380

Prepayments

25,922

194,738

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 1994

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### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £
Bank overdraft	187,962
Trade creditors	63,780
Amounts owed to group undertakings (note 10)	167,919
Social security and other taxes	14,726
Other creditors	83,500
Accruals and deferred income	<u>33,291</u>
	<u>551,178</u>

The bank overdraft is secured by a fixed and floating charge over all the assets of the company.

Amounts due to group undertakings include £120,439 in respect of vehicles held under the GMAC (UK) PLC demonstrator plan.

### 10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1994 £
Amounts owed to group undertakings	115,000
Other creditors	<u>214,103</u>
	<u>329,103</u>

Amounts due to group undertakings represent a loan from Vauxhall Motors which carries interest at 1% over Libor. The loan has no fixed repayment date but the directors consider it will not be repaid before 1 January 1996.

All sums due to Vauxhall Motors Limited are secured by way of a fixed and floating charge over all the assets of the company.

Other creditors comprise two agreements which are unsecured.

The first agreement represents monies received from a petrol supply agreement. Amounts are being released to the profit and loss account on a straight line basis over a five year period.

The second agreement represents monies received in advance from a lump sum rental contribution. Amounts are being released to the profit and loss account on a straight line basis over a three year period.

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 1994

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### 11 BORROWINGS

Borrowings (excluding the two agreements per note 10) are repayable as follows:

	1994 £
Within one year	
Bank loan and overdrafts	187,962
After one and within two years	
Other loans	<u>115,000</u>
	<u>302,962</u>

### 12 SHARE CAPITAL

	1994 £
Authorised, allotted, called up and fully paid	
75,000 ordinary shares of £1 each	75,000
300,000 redeemable participating preference shares of £1 each	<u>300,000</u>
	<u>375,000</u>

The redeemable preference shares are non equity shares which carry an entitlement to a dividend at the rate of 1p per share per annum and a balance of any post tax profits remaining after redemption of the preference shares in accordance with the formula included in the company's Articles of Association. The redemption is made quarterly. Holders of preference shares have 1 vote for every share held. The rights of preference shareholders on a winding up are dependant upon a calculation determining funds in excess of 85% of the original total share capital, and such rights ranked before those of ordinary shareholders.

Allotments during the year

In order to provide funds for the financing of the business, the company made an allotment of 75,000 ordinary £1 shares and 300,000 redeemable preference shares of £1 each at £1 per share.

### 13 PROFIT AND LOSS ACCOUNT

	1994 £
Loss for the year	<u>(246,477)</u>
At 31 December 1994	<u>(246,477)</u>

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 1994

### 14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994 £
Loss for the financial year	(246,477)
Issue of shares	<u>375,000</u>
Net increase in shareholders' funds	<u>128,523</u>
Shareholders' funds at 31 December	<u><u>128,523</u></u>

Since the year end, a further injection of funds has been agreed as noted in the business review section of the Directors' Report.

### 15 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1994.

### 16 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1994.

### 17 LEASING COMMITMENTS

Operating lease payments amounting to £170,861 are due within one year. The commitments to make the payments included in this sum expire as follows:

	Other £	1994 Land and buildings £
Between one and five years	27,361	0
In five years or more	<u>0</u>	<u>143,500</u>
	<u><u>27,361</u></u>	<u><u>143,500</u></u>

### 18 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is its parent company General Motors Corporation which is registered in the United States of America.