

**MILES (CHESHAM) LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2001**

**COMPANY NUMBER: 2841660**



# **MILES (CHESHAM) LIMITED**

**31 DECEMBER 2001**

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## **MILES (CHESHAM) LIMITED**

### **COMPANY INFORMATION**

Directors	R C Barber      Resigned 22 March 2001 A M Biggs M R Bennett R C Hemming      Resigned 9 August 2001
Secretary	Mrs B Booth      Resigned 12 April 2001 Mr M R Bennett      Appointed 17 April 2001
Registered office	Centre House Village Way Trafford Park Manchester M17 1QG
Registered number	2841660
Auditors	PricewaterhouseCoopers Manchester M2 3PW

## **MILES (CHESHAM) LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors of Miles (Chesham) Limited submit their report and the audited financial statements for the year ended 31 December 2001.

#### **REVIEW OF THE BUSINESS/FUTURE DEVELOPMENTS**

The principal activities of the Company during the year under review continued to be dealing in motor vehicles, spares and accessories and carrying out repairs to motor vehicles.

On 31 December 2001, the trade and trading assets and liabilities of the Company were transferred as a going concern to Andre Baldet Limited, a subsidiary of Quicks Group plc. The consideration was £161,000 for net liabilities of £173,000 generating a profit on disposal of £334,000.

#### **RESULTS AND DIVIDENDS**

Results for the year are shown on page 5.

The Directors do not recommend the payment of a dividend (2000 - £Nil), and the profit after tax of £115,000 (2000: £54,000 loss) was transferred to reserves.

#### **DIRECTORS AND DIRECTORS' SHAREHOLDINGS**

The Directors, who served during 2001 and at the date of this report, are shown on page 1.

At 31 December 2001, A M Biggs was a director of the ultimate parent company, Quicks Group plc, and his notifiable interests are shown in the financial statements of that company.

The interests of M R Bennett in the ultimate parent company, Quicks Group plc, were:

	At 31 December 2001 Number	At 31 December 2000 Number
M R Bennett	2,589	2,589

There has been no change in the interests of M Bennett between 31 December 2001 and 25 March 2002.

## **MILES (CHESHAM) LIMITED**

### **REPORT OF THE DIRECTORS (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are required by Company Law 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:

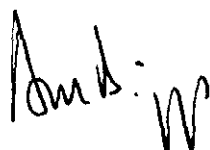
- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also 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 are 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**

PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the next Annual General Meeting.

The Report of the Directors was approved by the Board on 25 March 2002 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A M Biggs' followed by a stylized flourish.

A M Biggs

Director

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILES (CHESHAM) LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report.

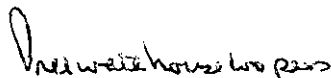
### **Basis of audit opinion**

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 at 31 December 2001 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester M2 3PW

25 March 2002

# MILES (CHESHAM) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2001

	<u>2001</u> £'000	<u>2000</u> £'000
<b>TURNOVER</b> (Note 2)	5,238	5,582
Cost of sales	<u>(4,519)</u>	<u>(4,913)</u>
<b>GROSS PROFIT</b>	719	669
Administrative expenses	<u>(835)</u>	<u>(731)</u>
<b>OPERATING LOSS</b>	(116)	(62)
Exceptional item (Note 3)	334	-
Interest payable (Note 4)	<u>(31)</u>	<u>(18)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 5)	187	(80)
Taxation (Note 8)	<u>(72)</u>	<u>26</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b> (Note 17)	<u>115</u>	<u>(54)</u>

The results above related to discontinued operations.

There were no recognised gains or losses other than those shown above.

The notes on pages 7 to 13 form part of these financial statements.

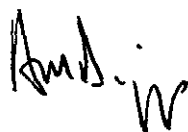
# MILES (CHESHAM) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2001

	<u>2001</u> £'000	<u>2000</u> £'000
<b>FIXED ASSETS</b>		
Tangible assets (Note 9)	-	309
<b>CURRENT ASSETS</b>		
Interest in vehicle residuals		
- Repurchases after one year	-	90
- Repurchases within one year	-	46
Stocks (Note 10)	-	191
Debtors (Note 11)	160	426
Cash at bank and in hand	<u>-</u>	<u>303</u>
	160	1,056
<b>CREDITORS – Amounts falling due within one year</b>		
Bank overdraft (Note 12)	-	(148)
Trade creditors	-	(271)
Other creditors (Note 13)	(3)	(753)
Loans (Note 14)	<u>-</u>	<u>(55)</u>
	<u>(3)</u>	<u>(1,227)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<u>157</u>	<u>(171)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	157	138
<b>Creditors – Amounts falling due after more than one year</b>		
Obligations under vehicle repurchase arrangements	-	(90)
Provisions for liabilities and charges (Note 15)	<u>-</u>	<u>(6)</u>
	-	(96)
	<u>157</u>	<u>42</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 16)	375	375
Profit and loss account (Note 17)	<u>(218)</u>	<u>(333)</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>157</u>	<u>42</u>
<b>SHAREHOLDERS' FUNDS</b>		
Equity shareholders' funds (Note 18)	(143)	(258)
Non-equity shareholders' funds	<u>300</u>	<u>300</u>
	<u>157</u>	<u>42</u>

The financial statements were approved by the Board on 25 March 2002 and signed on its behalf by:

A M Biggs  
DIRECTOR



The notes on pages 7 to 13 form part of these financial statements.

# **MILES (CHESHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

#### **(a) Accounting convention**

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

The Company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Quicks Group plc, which publishes a consolidated cash flow statement.

#### **(b) Depreciation**

Depreciation is provided in equal amounts to allocate the cost, less estimated residual values of tangible fixed assets to the periods expected to benefit from their use, at the following annual rates:

Short leasehold improvements	- Remaining life of lease
Plant and equipment	- 10% to 25%

#### **(c) Repurchase arrangements**

The contractual commitment to repurchase vehicles (predominantly under the "Motability" scheme) has been disclosed in "Creditors: amounts falling due within one year" and "Creditors: amounts falling due after more than one year" as appropriate. The asset associated with the liability, being the interest in the repurchased vehicles, is disclosed in the balance sheet as "Interest in vehicle residuals".

#### **(d) Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price after taking into account any further costs expected to be incurred.

New vehicles on consignment are included on the balance sheet where, at the balance sheet date, related obligations to pay finance charges on the cost of vehicles exist or where the company carries commercially significant risks related to the vehicles. An equivalent amount is included in trade creditors.

#### **(e) Turnover**

Turnover represents the invoiced value of goods and services provided to third parties, together with rental income.

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 ACCOUNTING POLICIES (continued)

#### (f) Taxation

Taxation is based on the results for the year and takes into account deferred taxation created by timing differences between the treatment of certain items for accounting and taxation purposes.

Provision is made at the appropriate rates of taxation for liabilities arising from the allocation of items to different periods for taxation and accounting purposes, to the extent that there is reasonable probability that such taxation will become payable in the foreseeable future.

#### (g) Operating lease rentals

Rentals payable under operating leases are charged to the profit and loss account as incurred.

### 2 ANALYSIS OF TURNOVER AND PROFIT

The Directors consider there to be only one class of business being that of vehicle distributors and one geographical market being the UK.

### 3 EXCEPTIONAL ITEM

On 31 December 2001 the trade and trading assets and liabilities were transferred as a going concern to Andre Baldet Limited, another subsidiary of Quicks Group plc. Net liabilities of £173,000 were transferred at a consideration of £161,000, generating a profit on transfer of £334,000.

### 4 INTEREST PAYABLE

	<u>2001</u>	<u>2000</u>
	£'000	£'000
On bank loans and overdrafts	30	15
Other interest payable and similar charges	<u>1</u>	<u>3</u>
	<u>31</u>	<u>18</u>

### 5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	<u>2001</u>	<u>2000</u>
	£'000	£'000
Depreciation	35	34
Auditors' remuneration	5	5
Operating lease payments		
- land and buildings	147	147
	<u>187</u>	<u>186</u>

Fees for other services provided by the auditors during the year were £Nil (2000 - £Nil).

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6 DIRECTORS' REMUNERATION

None of the directors received any remuneration for their services in the year or in the previous year.

### 7 EMPLOYEES

	<u>2001</u> £'000	<u>2000</u> £'000
Aggregate payroll costs amounted to:		
Wages and salaries	355	221
Social security costs	<u>32</u>	<u>24</u>
	387	245
	<u>          </u>	<u>          </u>
The average weekly number of employees during the year analysed by functions, was as follows:	<u>Number</u>	<u>Number</u>
Mechanical	9	4
Sales and distribution	7	7
Administration	<u>11</u>	<u>6</u>
	27	17
	<u>          </u>	<u>          </u>

### 8 TAXATION

	<u>2001</u> £'000	<u>2000</u> £'000
The tax charge/(credit) comprises:		
UK corporation tax on the results at 30% (2000: 30%)	(34)	(32)
Corporation tax – prior year	110	-
Deferred taxation	<u>(4)</u>	<u>6</u>
	72	(26)
	<u>          </u>	<u>          </u>

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £'000	Plant & and Equipment £'000	Total £'000
<b>COST</b>			
At 1 January 2001	307	88	395
Additions	9	5	14
Disposals	<u>(316)</u>	<u>(93)</u>	<u>(409)</u>
At 31 December 2001	-	-	-
<b>DEPRECIATION</b>			
At 1 January 2001	31	55	86
Charged in the year	26	9	35
Disposals	<u>(57)</u>	<u>(64)</u>	<u>(121)</u>
At 31 December 2001	-	-	-
<b>NET BOOK AMOUNT</b>			
At 31 December 2001	-	-	-
At 31 December 2000	<u>276</u>	<u>33</u>	<u>309</u>

### 10 STOCKS

	<u>2001</u> £'000	<u>2000</u> £'000
Vehicle Stocks	-	125
Parts & Accessories	<u>-</u>	<u>66</u>
	-	191

Consignment vehicles excluded from the balance sheet at 31 December 2001 had a cost of £Nil (2000 - £69,000).

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 DEBTORS

	<u>2001</u> £'000	<u>2000</u> £'000
Trade debtors	-	122
Due from Group undertakings	160	-
Taxation recoverable	-	24
Other debtors	-	151
Prepayments	-	129
	<u>160</u>	<u>426</u>

### 12 OVERDRAFT

The bank overdraft facility is secured by cross guarantees by all members of the group.

### 13 CREDITORS DUE WITHIN ONE YEAR

	<u>2001</u> £'000	<u>2000</u> £'000
Due within one year:		
Due to Group undertakings	-	686
Other taxes and social security	3	1
Other creditors	-	8
Accruals and deferred income	-	12
Obligations under vehicle repurchase arrangements	-	46
	<u>3</u>	<u>753</u>

### 14 LOANS

	<u>2001</u> £'000	<u>2000</u> £'000
Other loans	-	55

### 15 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>2001</u> £'000	<u>2000</u> £'000
Deferred taxation – accelerated capital allowances	-	6

# MILES (CHESHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16 SHARE CAPITAL

	<u>2001</u> £'000	<u>2000</u> £'000
<b>Authorised, allotted, called up and fully paid</b>		
300,000 £1 redeemable preference shares	300	300
75,000 ordinary shares of £1 each	<u>75</u>	<u>75</u>
	<u>375</u>	<u>375</u>

#### Preference Shares

The redeemable preference shares are non-equity shares. The basic entitlement to a dividend at the rate of 1% net per share is waived, and instead these shares are entitled to 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. Holders of preference shares have one vote for every share held. The rights of preference shareholders on a winding up are dependent upon a calculation determining funds in excess of 85% of the original total share capital, and such rights are ranked before those of ordinary shareholders.

#### Ordinary Shares

The ordinary shares carry no voting rights until all preference shares have been redeemed.

#### Redemptions

During the year the company made no redemptions (2000 – Nil).

### 17 RESERVES

	Profit and Loss <u>Account</u> £'000
Balance at 1 January 2001	(333)
Profit for the year	<u>115</u>
Balance at 31 December 2001	<u>(218)</u>

## MILES (CHESHAM) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 18 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	<u>2001</u> £'000	<u>2000</u> £'000
Profit/(loss) for the financial year	115	(54)
Opening equity shareholders' funds	(258)	(204)
Closing equity shareholders' funds	<u>(143)</u>	<u>(258)</u>

Included within shareholders funds above is an amount of £300,000 (2000 - £300,000) in respect of Non-equity interests.

#### 19 OTHER COMMITMENTS

The Company had annual commitments under non-cancellable operating leases as set out below:

	<u>Land and Buildings</u>	
	<u>2001</u> £'000	<u>2000</u> £'000
Operating leases which expire:		
Within one year	-	-
Over five years	<u>-</u>	<u>147</u>
	<u>-</u>	<u>147</u>

#### 20 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Dunham and Haines Limited, which is registered in England and Wales. Quicks Group plc is the ultimate parent company, and is the parent undertaking of the smallest and largest group to consolidate the financial statements of Miles (Chesham) Limited.

Copies of the group financial statements are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

#### 21 RELATED PARTY TRANSACTIONS

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption under Financial Reporting Standard No. 8 "Related Party Disclosures", as the consolidated financial statements of Quicks Group plc, in which the Company is included, are available at the address noted above.