

Company Registration No. 2954341 (England and Wales)

GRENDON GARAGE (CAR SALES) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999



GRENDON GARAGE (CAR SALES) LIMITED

COMPANY INFORMATION

Directors	G C Cox Mrs J R Cox
Secretary	Mrs J R Cox
Company number	2954341
Registered office	Sterling House 19/23 High Street Kidlington, Oxon OX5 2DH
Auditors	BKR Haines Watts Sterling House 19/23 High Street Kidlington, Oxon OX5 2DH
Business address	Main Street Grendon Underwood Aylesbury, Bucks HP18 0SW
Bankers	National Westminster Bank PLC 12 High Street Windsor Berk SL4 1LQ

GRENDON GARAGE (CAR SALES) LIMITED

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GRENDON GARAGE (CAR SALES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999

The directors present their report and financial statements for the year ended 30 September 1999.

Principal activities

The principal activity of the company continued to be that of retailer of new and used vehicles.

Directors

The following directors have held office since 1 October 1998:

G C Cox

Mrs J R Cox

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 1999	1 October 1998
G C Cox	1	1
Mrs J R Cox	1	1

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that BKR Haines Watts be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

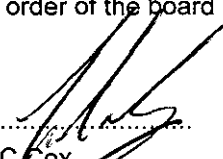
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 to 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


.....
G C Cox
Director

26.9.2000
.....

GRENDON GARAGE (CAR SALES) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF GRENDON GARAGE (CAR SALES) LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BKR Haines Watts 2/11/00

BKR Haines Watts

Chartered Accountants

Registered Auditor

Sterling House

19/23 High Street

Kidlington

Oxon OX5 2DH

GRENDON GARAGE (CAR SALES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1999

	Notes	1999 £	1998 £
Turnover		647,299	631,299
Cost of sales		(580,766)	(588,595)
Gross profit		<u>66,533</u>	<u>42,704</u>
Administrative expenses		(29,896)	(18,139)
Operating profit	2	<u>36,637</u>	<u>24,565</u>
Other interest receivable and similar income	3	12	-
Amounts written off investments	4	-	(84,000)
Interest payable and similar charges		-	(9)
Profit/(loss) on ordinary activities before taxation		<u>36,649</u>	<u>(59,444)</u>
Tax on profit/(loss) on ordinary activities	5	(7,529)	(5,151)
Profit/(loss) on ordinary activities after taxation	11	<u><u>29,120</u></u>	<u><u>(64,595)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GRENDON GARAGE (CAR SALES) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	6		6,830		8,930
Investments	7		141,000		141,000
			<u>147,830</u>		<u>149,930</u>
Current assets					
Stocks		136,912		185,051	
Debtors	8	20,494		596	
Cash at bank and in hand		7,424		-	
		<u>164,830</u>		<u>185,647</u>	
Creditors: amounts falling due within one year	9	<u>(344,248)</u>		<u>(396,285)</u>	
Net current liabilities			<u>(179,418)</u>		<u>(210,638)</u>
Total assets less current liabilities			<u>(31,588)</u>		<u>(60,708)</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		<u>(31,590)</u>		<u>(60,710)</u>
Shareholders' funds - equity interests	12		<u>(31,588)</u>		<u>(60,708)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 26.9.2000


G C Cox
Director

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	2,100	2,766
Auditors' remuneration	1,500	1,500
	<u> </u>	<u> </u>
3 Other interest receivable and similar income	1999	1998
	£	£
Other interest	12	-
	<u> </u>	<u> </u>
4 Amounts written off investments	1999	1998
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	-	84,000
	<u> </u>	<u> </u>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 1999

5	Taxation	1999	1998
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1998 - 21%)	7,600	5,200
	Prior years		
	U.K. corporation tax	(71)	(49)
		<u>7,529</u>	<u>5,151</u>
6	Tangible fixed assets		
			Plant and machinery etc £
	Cost		
	At 1 October 1998 & at 30 September 1999		16,028
			<u> </u>
	Depreciation		
	At 1 October 1998		7,098
	Charge for the year		2,100
			<u> </u>
	At 30 September 1999		9,198
			<u> </u>
	Net book value		
	At 30 September 1999		6,830
			<u> </u>
	At 30 September 1998		8,930
			<u> </u>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 1999

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 October 1998 & at 30 September 1999	225,000
Provisions for diminution in value	
At 1 October 1998 & at 30 September 1999	84,000
Net book value	
At 30 September 1999	141,000
At 30 September 1998	141,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Grendon Garage Limited	England and Wales	Ordinary	25
Icham Limited	England and Wales	Ordinary	100
Brenid Limited	England and Wales	Ordinary	98

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Grendon Garage Limited	287,195	(78,112)
Icham Limited	370,649	72,363
Brenid Limited	14,937	6,182

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 1999

8 Debtors	1999	1998
	£	£
Trade debtors	3,362	-
Other debtors	17,132	596
	<u>20,494</u>	<u>596</u>
9 Creditors: amounts falling due within one year	1999	1998
	£	£
Bank loans and overdrafts	-	841
Trade creditors	5,274	8,685
Amounts owed to group undertakings and undertakings in which the company has a participating interest	299,295	368,328
Taxation and social security	26,157	14,333
Other creditors	13,522	4,098
	<u>344,248</u>	<u>396,285</u>
10 Share capital	1999	1998
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	2	2
11 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 October 1998		(60,710)
Retained profit for the year		29,120
Balance at 30 September 1999		<u>(31,590)</u>

GRENDON GARAGE (CAR SALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 1999

12 Reconciliation of movements in shareholders' funds	1999 £	1998 £
Profit/(loss) for the financial year	29,120	(64,595)
Opening shareholders' funds	(60,708)	3,887
Closing shareholders' funds	<u>(31,588)</u>	<u>(60,708)</u>

13 Contingent liabilities

The company has entered into an unlimited guarantee in connection with the bank overdrafts of its associated companies. At 30 September 1999 the amount of these overdrafts was £32,257 (1998 - £73,592).

14 Related party transactions

For the whole year the company was under the control of G C Cox, the managing director of the company.

An interest free loan of £8,922 (1998 - £998) made to the company by the directors is included in other creditors due within one year.

G C Cox and Mrs J R Cox are directors and shareholders in Grendon Garage Limited and in Brenid Limited, and are directors in Icham Limited.

At 30 September 1999 the company owed £294,783 to Grendon Garage Limited (1998 - £363,816) and £4,512 to Icham Limited (1998 - £4,512), both amounts included in creditors due within one year.

At 30 September 1999 the company owed £3,850 to Grendon Garage Limited (1998 - £6,629) included in trade creditors.

During the year the company received goods and services from Grendon Garage Limited to the value of £63,540 (1998 - £74,096), and provided goods and services to Grendon Garage Limited to the value of £300 (1998 - £Nil).