

**Fletcher Dealership Limited**

**Directors' report and financial  
statements**

**Registered Number 3112577**

**31 December 1999**



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## **Officers and advisors**

### **Directors**

TJA McPhail  
N Smillie  
JR Fletcher OBE MBA (Chairwoman)

### **Secretary**

K Colgrave FCA MBA

### **Registered office**

Rossmore Road East  
Ellesmere Port  
South Wirral  
CH65 3BR

### **Auditors**

KPMG  
St James' Square  
Manchester  
M2 6DS

### **Solicitors**

Pinsent Curtis  
1 Park Row  
Leeds  
LS1 5AB

### **Bankers**

HSBC Bank plc  
33 Park Row  
Leeds  
LS1 1LD

### **Registered Number**

3112577 (England and Wales)

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

### Principal activities and review of business

The company did not trade during the year.

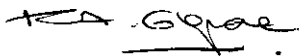
### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31 December 1999	31 December 1998
T McPhail	-	-
N Smillie	-	-
J Fletcher OBE	-	-

The directors interests in the shares of MSF Motor Group Limited, the parent company, are shown in those accounts.

By order of the board



**K Colgrave**  
*Secretary*  
21 AUG 2000

Rossmore Road East  
Ellesmere Port  
South Wirral  
CH65 3BR

## 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



St James' Square  
Manchester M2 6DS  
United Kingdom

## **Report of the auditors to the members of Fletcher Dealership Limited**

We have audited the financial statements on pages 5 to 6.

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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 with the company is not disclosed.

### **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 the affairs of the Company as at 31 December 1999 and that the company was dormant for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
*Chartered Accountants*  
*Registered Auditor*

21 August 2000

**Profit and loss account**  
*for the year ended 31 December 1999*

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

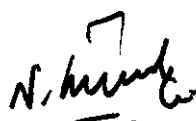
**Balance sheet**  
*at 31 December 1999*

	<i>Note</i>	<b>1999</b> £	<b>1998</b> £
<b>Current assets</b>			
Debtors	2	288,067	288,067
<b>Net current assets</b>		<u>288,067</u>	<u>288,067</u>
<b>Total assets</b>		<u>288,067</u>	<u>288,067</u>
<b>Capital and reserves</b>			
Share capital	3	52,702	52,702
Share premium account		547,431	547,431
Profit and loss account		(312,066)	(312,066)
<b>Shareholders' funds</b>		<u>288,067</u>	<u>288,067</u>

These financial statements were approved by the board of directors on  
 on its behalf by:

21 AUG 2000

and were signed



**N Smillie**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of MSF Motor Group Limited which has prepared a consolidated cash flow statement.

As the company is a wholly owned subsidiary of MSF Motor Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

### 2 Debtors

	1999 £	1998 £
Amounts owed by group undertakings	288,067	288,067
	<u>288,067</u>	<u>288,067</u>

### 3 Share capital

	1999 £	1998 £
<i>Authorised</i>		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<i>Issued</i>		
52,702 Ordinary shares of £1 each	52,702	52,702
	<u>52,702</u>	<u>52,702</u>

### 4 Contingent liabilities

The company has given a Unlimited Multilateral Company Guarantee, dated 8 August 1996, in respect of bank borrowings of MSF Motor Group Limited and its subsidiaries. At 31 December 1999, such borrowings amounted to £10,806,402 (1998: £10,651,410).

### 5 Parent company

Fletcher Dealership Limited is a wholly owned subsidiary of MSF Motor Group Limited, a company registered in England and Wales, company registration number 2863609.