

# Arnold Clark Automobiles Limited

## Report and Accounts December 31, 1985



**Arthur Young**

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Chartered Accountants Glasgow

DIRECTORS' REPORT

The directors submit their report and group accounts for the year ended December 31, 1985.

Results and dividends

The trading profit for the year, after taxation and minorities, amounted to £523,398.

The directors recommend that no dividend be paid which leaves the profit of £523,398 to be retained.

Review of the business

The group's principal activities during the year were the hiring, selling and servicing of motor vehicles.

The group has had a satisfactory year with a significant increase in sales and profits.

The directors are of the opinion that the level of activity will be continued in 1986.

Stocks

During the year the group modified its accounting policy in respect of stocks in order to comply with the current practice of recognising consignment stocks of vehicles and their associated financing in the accounts. In previous years, no account has been taken of these stocks or loan finance. In order to show the effect of this modification had it been applied in previous years, the accounts for the year ended December 31, 1984 which are presented for comparative purposes have been restated. In addition, the directors have included on pages 17 and 18 restated balance sheets for the years ended December 31, 1983 and December 31, 1982.

The modification has had no effect on the profits previously reported.

Directors and their interests

The directors at December 31, 1985 and their interests in the ordinary share capital of the company were as follows:

	<u>At December 31, 1985</u>	<u>At December 31, 1984</u>
J.A. Clark	9,991	9,991
W.G.P. Gall	4	4
Mrs. P.B. Clark	1	1

W.G.P. Gall retires by rotation and, being eligible, offers himself for re-election.

DIRECTORS' REPORT  
(continued)

Auditors

During the year John Gray & Company resigned as auditors and the directors appointed Arthur Young. This appointment falls to be confirmed at the Annual General Meeting.

BY ORDER OF THE BOARD

*D. Ferguson Kerr*

Secretary

June 1, 1987

43 Allison Street,  
Glasgow, G42 8NJ



**Arthur Young**

Chartered Accountants  
George House, 50 George Square,  
Glasgow G2 1RR

REPORT OF THE AUDITORS TO THE MEMBERS OF  
ARNOLD CLARK AUTOMOBILES LIMITED

We have audited the accounts on pages 4 to 16 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and the group at December 31, 1985 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

*Arthur Young*

June 1, 1987

ARNOLD CLARK AUTOMOBILES LIMITED

4.



GROUP PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 1985

	<u>Notes</u>	<u>1985</u> £	<u>1984</u> £
Turnover			
Cost of sales	2	36,349,808	28,332,792
		31,423,767	24,559,042
Gross profit		4,926,041	3,773,750
Administrative expenses		2,854,808	2,443,269
Other operating income		2,071,233	1,330,481
		260,685	151,551
Operating profit	3	2,331,918	1,482,032
Interest receivable		3,237	-
Interest payable	5	1,678,589	1,187,533
		1,675,352	1,187,533
Profit on ordinary activities before taxation		656,566	294,499
Tax on profit on ordinary activities	6	114,296	4,971
Profit on ordinary activities after taxation		542,270	289,528
Minority interest		18,872	8,552
Profit attributable to members of the holding company	7	523,398	280,976
Retained profit brought forward		2,454,584	2,173,608
Retained profit carried forward		£ 2,977,982	£ 2,454,584

The notes on pages 8 to 16 form part of these accounts.

GROUP BALANCE SHEET AT DECEMBER 31, 1985

	Notes	£	1985 £	Restated 1984 £
Fixed assets:				
Tangible assets	8		12,787,983	10,376,034
Investments	9		57,196	5,778
			<u>12,845,179</u>	<u>10,381,812</u>
Current assets:				
Stocks	10	6,180,672		4,668,416
Debtors	11	2,467,470		1,681,991
Cash at bank and in hand		384,623		1,772
		<u>9,032,765</u>		<u>6,352,179</u>
Creditors: amounts falling due within one year:				
Stocking loan		2,655,008		1,768,671
Other current liabilities	12	9,581,464		8,196,077
		<u>12,236,472</u>		<u>9,964,748</u>
Net current liabilities			(3,203,707)	(3,612,569)
Total assets less current liabilities			<u>9,641,472</u>	<u>6,769,243</u>
Creditors: amounts falling due after more than one year:				
Bank loan	13	172,591		212,337
Hire purchase	14	5,580,213		3,179,000
Provision for liabilities and charges:				
Deferred taxation	15	727,192		783,000
			<u>6,479,996</u>	<u>4,174,337</u>
Minority interests			<u>3,161,476</u>	<u>2,594,906</u>
			<u>149,194</u>	<u>130,322</u>
			<u>£3,012,282</u>	<u>£2,464,584</u>
Capital and reserves:				
Called up share capital	16		10,000	10,000
Profit and loss account			2,977,982	2,454,584
Capital reserve			24,300	-



 ) Directors

June 1, 1987

£3,012,282      £2,464,584  
 =====

The notes on pages 8 to 16 form part of these accounts.

ARNOLD CLARK AUTOMOBILES LIMITED

6.

BALANCE SHEET AT DECEMBER 31, 1985

	<u>Notes</u>	£	<u>1985</u> £	<u>Restated</u> <u>1984</u> £
Fixed assets:				
Tangible assets	8		897,685	1,059,809
Investments	9		46,896	19,778
			<u>944,581</u>	<u>1,079,587</u>
Current assets:				
Stocks	10	6,180,672		4,668,416
Debtors	11	2,075,948		1,461,279
Cash at bank and in hand		1,545		1,544
		<u>8,258,165</u>		<u>6,131,239</u>
Creditors: amounts falling due within one year:				
Stocking loan		2,655,008		1,768,671
Other current liabilities	12	5,395,858		4,493,560
		<u>8,050,866</u>		<u>6,262,231</u>
Net current assets/(liabilities)			207,299	(130,992)
Total assets less current liabilities			<u>1,151,880</u>	<u>948,595</u>
Creditors: amounts falling due after more than one year:				
Bank loan	13		172,591	212,337
Hire purchase	14		22,923	82,180
Provision for liabilities and charges:				
Deferred taxation	15		43,107	-
			<u>238,621</u>	<u>294,517</u>
			<u>£ 913,259</u>	<u>£ 654,078</u>
Capital and reserves:				
Called up share capital	16		10,000	10,000
Profit and loss account			903,259	644,078

Directors

June 1, 1987

£ 913,259      £ 654,078

The notes on pages 8 to 16 form part of these accounts.

ARNOLD CLARK AUTOMOBILES LIMITED

7.

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1985

	<u>1985</u> £	<u>Restated</u> <u>1984</u> £
Source of funds:		
Profit on ordinary activities before taxation	656,566	294,499
Adjustment for items not involving the movement of funds:		
Depreciation	3,156,460	2,610,471
Loss/(gain) on sale of tangible assets	8,814	(5,214)
Total generated from operations	<u>3,821,840</u>	<u>2,899,756</u>
Funds from other sources:		
Proceeds of disposal of tangible fixed assets	3,140,285	2,093,933
Loan repayment	2,397	2,396
Disposal of investment	485	-
	<u>6,965,007</u>	<u>4,996,085</u>
Application of funds:		
Purchase of tangible fixed assets	8,717,508	6,252,226
Purchase of investment	30,000	-
Loan repayment	39,746	39,746
Working capital - decrease	<u>£(1,822,247)</u>	<u>£(1,295,887)</u>
Components of decrease in working capital:		
Stocks	1,512,256	72,840
Debtors	785,479	859,067
Creditors	<u>(5,366,231)</u>	<u>(2,121,528)</u>
	<u>(3,068,496)</u>	<u>(1,189,621)</u>
Movement in net liquid funds:		
Cash at bank and in hand	382,851	311
Bank overdraft	863,398	(106,577)
	<u>£(1,822,247)</u>	<u>£(1,295,887)</u>

The notes on pages 8 to 16 form part of these accounts.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Basis of consolidation

The group accounts consolidate the accounts of Arnold Clark Automobiles Limited and its subsidiary made up to December 31 each year.

No profit and loss account is presented for Arnold Clark Automobiles Limited as provided by S.228 (7) of the Companies Act 1985.

Companies in which the group has an investment comprising an interest of not less than 20% in the voting capital and over which it exerts significant influence are defined as associated companies. Such companies are also related companies as defined in the Companies Act 1985.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Land and buildings	-	2% (straight line basis)
Garage equipment	-	15% (reducing balance basis)
Office equipment	-	15% (reducing balance basis)
Motor vehicles	-	25% (reducing balance basis)

Stocks

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

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

During the year the group modified its accounting policy in respect of stocks in order to comply with the current practice of recognising consignment stocks of vehicles and their associated financing in the accounts. In previous years, no account has been taken of these stocks or loan finance.

The accounts for the year ended December 31, 1984, which are presented for comparative purposes, have been restated to show the effect of this modification had it been applied in previous years. The modification has had no effect on the profit previously reported.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

ARNOLD CLARK AUTOMOBILES LIMITED AND SUBSIDIARY

9.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

1. Accounting policies  
(continued)

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

The turnover and pre-tax profit by activity is not disclosed as the directors consider this would be prejudicial to the interests of the company.

3. Operating profit

	<u>1985</u> £	<u>1984</u> £
(a) This is stated after charging or (crediting):		
Directors' remuneration (see below)	69,537	49,159
Auditors' remuneration	18,050	19,000
Depreciation	3,156,660	2,610,471
Management charge	(79,000)	(55,000)
	=====	=====

(b) Directors' remuneration:

	<u>1985</u> £	<u>1984</u> £
Fees	-	-
Other emoluments (including pension contributions)	69,537	49,159
	=====	=====

The emoluments of the chairman, who is also the highest paid director in 1985, excluding pension contributions, were £37,134 (1984 - £23,250). The emoluments of the highest paid director in 1984, excluding pension contributions, were £24,085. Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	No.	No.
£Nil - £ 5,000	1	1
£25,001 - £30,000	1	-

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

4. <u>Staff costs</u>	<u>1985</u> £	<u>1984</u> £
Wages and salaries	2,254,550	1,804,121
Social security costs	196,460	157,082
Other pension costs	44,307	84,071
	-----	-----
	£2,495,317	£2,045,274
	=====	=====

The average weekly number of employees during the year was made up as follows:

	<u>1985</u> No.	<u>1984</u> No.
Office and management	95	81
Sales	26	18
Servicing	190	151
	---	---
	311	250
	===	===

5. <u>Interest payable</u>	<u>1985</u> £	<u>1984</u> £
Bank loans and overdraft	216,523	267,372
Hire purchase	1,246,681	812,045
Stocking loans	215,385	108,116
	-----	-----
	£1,678,589	£1,187,533
	=====	=====

6. <u>Tax on profit on ordinary activities</u>	<u>1985</u> £	<u>1984</u> £
Based on the profit for the year:		
Corporation tax at 41.25%	161,658	25,417
Deferred taxation	134,653	(19,000)
	-----	-----
	296,311	6,417
Taxation under/(over) provided in previous years:		
Corporation tax	8,446	(1,446)
Deferred taxation	(190,461)	-
	-----	-----
	£114,296	£ 4,971
	=====	=====

7. <u>Profit attributable to members of the holding company</u>	<u>1985</u> £	<u>1984</u> £
Dealt with in the accounts of the holding company	240,314	152,689
Retained by subsidiary company	283,084	128,287
	-----	-----
	£523,398	£280,976
	=====	=====

ARNOLD CLARK AUTOMOBILES LIMITED AND SUBSIDIARY

11.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

8. Tangible fixed assets

<u>Group</u>	<u>Land and buildings</u> £	<u>Garage equipment</u> £	<u>Office equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost:					
At January 1, 1985	981,527	109,803	165,459	12,451,044	13,707,833
Additions	8,325	1,465	111,601	8,596,117	8,717,508
Disposals	(131,244)	(23,272)	(3,810)	(5,379,417)	(5,537,743)
At December 31, 1985	858,608	87,996	273,250	15,667,744	16,887,598
Depreciation:					
At January 1, 1985	75,301	57,133	47,427	3,157,938	3,331,799
Provided during the year	16,649	7,202	56,960	3,075,649	3,156,460
Disposals	(8,554)	(10,749)	(1,095)	(2,368,246)	(2,388,644)
At December 31, 1985	83,396	47,586	103,292	3,865,341	4,099,615
Net book value:					
At December 31, 1985	£775,212	£ 40,410	£169,958	£11,802,403	£12,187,983
At January 1, 1986	£906,226	£ 58,670	£118,032	£ 9,293,106	£10,376,034
<u>Company</u>	<u>Land and buildings</u> £	<u>Garage equipment</u> £	<u>Office equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost:					
At January 1, 1985	981,527	109,803	120,464	36,751	1,248,545
Additions	-	1,465	6,527	15,044	23,036
Disposals	(131,244)	(23,272)	(3,810)	(7,299)	(165,625)
At December 31, 1985	850,283	87,996	123,181	44,496	1,105,956
Depreciation:					
At January 1, 1985	75,301	51,133	45,469	16,833	188,736
Provided during the year	16,607	7,202	11,606	6,850	42,265
Disposals	(8,554)	(10,749)	(1,095)	(2,332)	(22,730)
At December 31, 1985	83,354	47,586	55,980	21,351	208,271
Net book value:					
At December 31, 1985	£766,929	£40,410	£67,201	£23,145	£ 897,685
At January 1, 1985	£906,226	£58,670	£74,995	£19,918	£1,059,809

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

8. Tangible fixed assets  
(continued)

The company's subsidiary owns motor vehicles, with a cost of £15,623,248 (1984 - £12,414,293) and related accumulated depreciation of £3,843,990 (1984 - £3,141,105), which are held for use in operating leases.

9. Investments

<u>Group</u>	<u>1985</u> £	<u>1984</u> £
<u>Associated company</u>		
Fair value of net assets at date of acquisition	54,300	-
<u>Other investments</u>		
Cost:		
At January 1, 1985	985	985
Disposals	(485)	-
	500	985
Loan:		
At January 1, 1985	4,793	7,189
Repaid	(2,397)	(2,396)
	2,896	5,778
<u>Total</u>		
Associated company	54,300	-
Other investment	2,896	5,778
	£57,196	£ 5,778

<u>Company</u>	<u>Group</u> <u>company</u> £	<u>Associated</u> <u>company</u> £	<u>Other</u> <u>investment</u> £	<u>Total</u> £
Cost:				
At January 1, 1985	14,000	-	985	14,985
Additions	-	30,000	-	30,000
Disposals	-	-	(485)	(485)
	14,000	30,000	500	44,500
Loan:				
At January 1, 1985	-	-	4,793	4,793
Repaid	-	-	(2,397)	(2,397)
At December 31, 1985	£14,000	£30,000	£ 2,896	£46,896

No fixed date has been set for the repayment of the interest free loan.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)9. Investments  
(continued)

The group holds more than 10% of the equity of the following companies:

<u>Name of company</u>	<u>Country of registration</u>	<u>Holding</u>	<u>Proportion held</u>	<u>Nature of business</u>
Subsidiary company:				
Arnold Clark Finance Limited	Scotland	Ordinary shares	93.3%	Contract hiring of motor vehicles
Associated company:				
Arnold Clark (Paisley) Limited	Scotland	Ordinary shares	25%	Distributing, retailing and servicing of motor vehicles

On December 20, 1985 the company acquired 500 Ordinary shares of £1 each in Arnold Clark (Paisley) Limited, being 25% of its nominal share capital.

10. Stocks

<u>Group and company</u>	<u>1985</u> £	<u>1984</u> £
Consignment stock	2,655,008	1,768,671
Motor vehicles	3,089,441	2,510,436
Parts and accessories	411,752	342,131
Other	24,471	47,178
	£6,180,672	£4,668,416
	=====	=====

11. Debtors

<u>Group</u>	<u>1985</u> £	<u>1984</u> £
Trade debtors	1,148,314	978,520
Amounts due from associate company	71,227	-
Other debtors	902,828	605,640
Prepayments and accrued income	345,101	97,831
	£2,467,470	£1,681,991
	=====	=====

<u>Company</u>	<u>1985</u> £	<u>1984</u> £
Trade debtors	984,535	856,780
Amounts due from associate company	71,227	-
Other debtors	800,622	589,667
Prepayments and accrued income	219,564	14,832
	£2,075,948	£1,461,279
	=====	=====

ARNOLD CLARK AUTOMOBILES LIMITED AND SUBSIDIARY

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

14.

12. Creditors: amounts falling due within one year

<u>Group</u>	<u>Notes</u>	<u>1985</u> £	<u>1984</u> £
Current instalments due on bank loans	13	39,746	39,746
Bank overdrafts		850,000	1,713,398
Obligations under hire purchase contracts	14	5,913,319	3,655,261
Trade creditors		747,676	787,994
Current corporation tax		256,327	86,223
Other taxes and social security costs		382,086	351,993
Other creditors		269,362	929,295
Accruals and deferred income		1,122,948	632,167
		<u>£9,581,464</u>	<u>£8,196,077</u>
		=====	=====
<u>Company</u>	<u>Notes</u>	<u>1985</u> £	<u>1984</u> £
Current instalments due on bank loans	13	39,746	39,746
Bank overdrafts (see below)		2,461,148	1,744,158
Obligations under hire purchase contracts	14	1,099,890	292,857
Trade creditors		674,325	722,668
Current corporation tax		242,029	-
Other taxes and social security costs		114,568	155,634
Other creditors		116,947	640,327
Accruals and deferred income		432,045	294,378
Amounts due to subsidiary		215,160	603,792
		<u>£5,395,858</u>	<u>£4,493,560</u>
		=====	=====

Bank overdrafts include £250,000 due to Lloyds and Scottish Trust Limited secured by the first Standard Security over the company's heritable property at 64/74 Kirkintilloch Road, Bishopbriggs, Glasgow and £300,000 due by the parent company to Mercantile Credit Company Limited guaranteed by the parent company's subsidiary.

A Standard Security exists over the group's heritable property at Vinicombe Street, Glasgow in respect of an overdraft of £300,000 granted to the company's subsidiary. The parent company has also given a guarantee in respect of this overdraft.

13. Bank loans

<u>Group and company</u>	<u>1985</u> £	<u>1984</u> £
Amounts repayable within five years	198,728	198,728
Amounts repayable after five years	13,609	53,355
	<u>212,337</u>	<u>252,083</u>
	39,746	39,746
	<u>£172,591</u>	<u>£212,337</u>
	=====	=====

Less: due within one year (note 11)

ARNOLD CLARK AUTOMOBILES LIMITED AND SUBSIDIARY

15.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

13. Bank loans  
(continued)

Bank loans included above are repayable as follows:

- (a) £82,930 repayable by quarterly instalments of £4,146. This loan bears interest at 1% over Finance House base rate and is secured by the first Standard Security over the group's heritable property at Vinicombe Street, Glasgow.
- (b) £129,407 repayable by monthly instalments of £1,930. This loan bears interest at 1% over Finance House base rate and is guaranteed by A. Clark's West End Motors Limited.

14. Obligations under hire purchase contracts

Group

	<u>1985</u>	<u>1984</u>
Amounts payable within 1 year		
Over one year:	5,913,319	3,655,261
In the second to fifth years inclusive		
Over five years	5,580,213	3,179,000
	-----	-----
	£11,493,532	£6,834,261
	=====	=====

Company

	<u>1985</u> £	<u>1984</u> £
Amounts payable within 1 year		
Over one year:	1,099,890	292,857
In the second to fifth years inclusive		
Over five years	22,923	82,180
	-----	-----
	£1,122,813	£ 375,037
	=====	=====

15. Deferred taxation

Deferred taxation provided in the accounts is the full potential amount, and consists of:

Group

	<u>1985</u> £	<u>1984</u> £
Accelerated capital allowances		
Tax losses carried forward	727,192	819,548
	-----	-----
	£727,192	£783,000
	=====	=====

ARNOLD CLARK AUTOMOBILES LIMITED AND SUBSIDIARY

16.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1985  
(continued)

15. Deferred taxation  
(continued)

Company

	<u>1985</u> £	<u>1984</u> £
Accelerated capital allowances		
Tax losses carried forward	43,107	36,548
	-	(36,548)
	-----	-----
	£43,107	£ -
	=====	=====

16. Share capital

	<u>1985</u> No.	<u>Authorised</u> <u>1984</u> No.	<u>Allotted, called up</u> <u>and fully paid</u> <u>1985</u>	<u>1984</u>
Ordinary shares of £1 each	10,000	10,000	£10,000	£10,000
	=====	=====	=====	=====

17. Capital commitments

As agents for Motability Finance Limited, the company's subsidiary is committed to purchase all vehicles which are in a suitable condition and have been maintained under a motability contract by the company upon the expiry of the contract. As at December 31, 1985 the company maintained 1,648 vehicles under contract (with a pre-arranged purchase cost of £3,043,327) of which 656 (£1,193,350) terminate within 1986.

There were no other capital commitments within the group.

18. Contingent liability

Under a group registration for Value Added Tax the companies within the group are jointly and severally liable for Value Added Tax due by any member of the group registration. At December 31, 1985 this amounted to £232,968 (1984 : £343,615).

Under the terms of an inter company guarantee the companies within the group together with A. Clark's West End Motors Limited, Macharg Rennie and Lindsay Limited, Arnold Clark (Paisley) Limited, Arnold Clark (Bearsden) Limited, and Grant, Melrose and Tennent Limited have joint and severally guaranteed repayment of all sums due to the Royal Bank of Scotland plc by any of the parties to the guarantee.

ARNOLD CLARK AUTOMOBILES LIMITED

17.

RESTATED GROUP BALANCE SHEETS

	<u>Note</u>	<u>December 31, 1983</u>	<u>December 31, 1982</u>
		£	£
Fixed assets:			
Tangible assets		8,814,505	6,285,332
Intangible assets		-	15,000
Investments		8,174	10,570
		<u>8,822,679</u>	<u>6,310,902</u>
Current assets:			
Stocks	1	4,595,576	3,946,522
Debtors		1,715,426	3,057,291
Cash on hand and in bank		141,137	56,091
		<u>6,452,139</u>	<u>7,059,904</u>
Current liabilities:			
Stocking loan	1	1,361,236	1,181,660
Other current liabilities		9,046,943	8,605,019
		<u>10,408,179</u>	<u>9,786,679</u>
Net current liabilities		(3,956,040)	(2,726,775)
		<u>4,866,639</u>	<u>3,584,127</u>
Creditors: amounts falling due after more than one year		1,934,498	1,023,307
		<u>£2,932,141</u>	<u>£2,560,820</u>
Capital and reserves:			
Called up share capital		10,000	10,000
Profit and loss account		2,922,141	2,550,820
		<u>£2,932,141</u>	<u>£2,560,820</u>

NOTE

1. Stocks have been restated to include consignment stocks of £1,361,236 (1983) and £1,181,660 (1982).

RESTATED BALANCE SHEETS

	<u>Note</u>	<u>December 31, 1983</u>		<u>December 31, 1982</u>	
		£	£	£	£
Fixed assets:					
Tangible assets		1,061,366		859,260	
Intangible assets		-		15,000	
Investments		22,174		24,570	
		-----		-----	
		1,083,540		898,830	
Current assets:					
Stocks	1	4,595,576		3,946,522	
Debtors		596,861		1,255,333	
Cash on hand		1,213		1,262	
		-----		-----	
		5,193,650		5,203,117	
Current liabilities:					
Stocking loan	1	1,361,236		1,181,660	
Other current liabilities		4,146,306		4,584,431	
		-----		-----	
		5,507,542		5,766,091	
Net current liabilities		-----		-----	
		(313,892)		(562,974)	
		-----		-----	
		769,648		335,856	
Creditors: amounts falling due after more than one year		276,816		153,741	
		-----		-----	
		£ 492,832		£ 182,115	
		=====		=====	
Capital and reserves:					
Called up share capital		10,000		10,000	
Profit and loss account		482,832		172,115	
		-----		-----	
		£ 492,832		£ 182,115	
		=====		=====	

NOTE

1. Stocks have been restated to include consignment stocks of £1,361,236 (1983) and £1,181,660 (1982).