ARNOLD CLARK FINANCE LIMITED

Directors Report

The Directors submit their Annual Report and the Audited Accounts of the Company for the year ended 31st December, 1977.

Details of the Directors and of their Shareholdings in the Company which is a subsidiary of Arnold Clark Automobiles Limited were as follows:-

Name of Director	No. of Shares
John A. Clark	980
W. Hunter	6

There were no changes in the above particulars during the year.

The Company's principal activity during the year comprised the Contract Hiring of Motor Vehicles.

Turnover of the Company was £1,052,935 (1976 £665,286) representing Hire Charges relative to the year and no part of this was earned abroad.

Profits before Taxation were £580,399 from which there has been transferred to Taxation Equalisation Reserve £302,000 (Note 1) leaving a balance of £278,399 available for distribution. The Directors recommend that no dividend be paid and that this balance be added to the balance brought forward of £314,173, giving £592,572 to be carried forward.

The Director retiring by rotation is Mr. J. A. Clark who, being eligible, offers himself for re-election.

The Auditors, Messrs. John Gray & Company, Chartered Accountants, Lynton House, 13 Brown Street, Port Glasgow have expressed their willingness to continue in Office.

By Order of the Board

Secretary.

67 Bothwell Street,
GLASGOW.

7th September, 1978.

ARNOLD CLARK FINANCE LIMITED

Profit and Loss Account for the year ended 31st December, 1977

1976			
£301,303	Trading Profit for the year before charging the following:-		£630,878
£147,242	Depreciation	£258,266	
34,080	Interest	14,289	
2,650	Auditors Remuneration	2,650	
£183,972		£275,205	
45,717	Less: Gain on sale of Vehicles	224,726	
£138,255			50,479
£243,128	Net Profit before Taxation		£580,399
	U.K. Corporation Tax on Profits for Year (Note 1)		
126,400	Transfer to Taxation Equalisation Reserve		302,000
£116,728	Profit for year after Taxation		£278,399
197,445	Balance brought forward		314,173
£314,173	Balance carried forward		£592,572

ARNOLD CLARK FINANCE LIMITED

Balance Sheet as at 31st December, 1977

1976			
£ 926,213	Fixed Assets - As per Appendix 1		£1,877,203
	Current Assets		
£ 47,623	Sundry Debtors (Note 3)	£ 42,610	
109,174	Cash in Bank and on Hand	57,919	
£ 155,797			100,529
£1,082,010	TOTAL ASSETS		£1,977,732
	Less: Current Liabilities		
£ 58,409	Sundry Creditors (Note 2)	£ 63,088	
3,099	Directors Loan Account	3,099	
57,101	Contract Hire Instalments Paid in advance	17,572	
54,133	Hire Purchase outstanding	155,480	
-	Bank Overdraft (Note 4)	300,000	
£ 172,742			539,238
£ 909,268	NET ASSETS		£1,438,494
	Share Capital and Reserves		
	Share Capital		
	Authorised, Issued and Fully Paid		
£ 15,000	15,000 Ordinary Shares of £1 each		£ 15,000
	Reserves		
314,173	Profit and Loss Account		592,572
£ 329,173			£ 607,572
330,600	Taxation Equalisation Reserve		632,600
15,000	Loan - A. Clark's West End Motors Limited		15,000
234,495	Amount Due to Arnold Clark Automobiles Ltd		183,322

.... Director

.... Director

£ 909,268	£1,438,494

ARNOLD CLARK FINANCE LIMITED

Year ended 31st December, 1977

Appendix 1 and Notes on Accounts

Appendix 1

Fixed Assets

Motor Vehicles on Contract Hire and Hire Drive

	Cost Price	Aggregate Depreciation	Written Down Value
As at 31st December, 1976	£1,173,749	£247,536	£ 926,213
Purchased during year	1,994,452	-	1,994,452
	£3,168,201	£247,536	£2,920,665
Sold during year	994,564	209,368	785,196
	£2,173,637	£ 38,168	£2,135,469
Depreciation for year	-	258,266	258,266
	£2,173,637	£296,434	£1,877,203

Note 1 No Taxation is payable by the Company for the year under review as Capital Allowances are materially in excess of the Depreciation charge for the year.

Note 2 Sundry Creditors includes the sum of £21,891 (1976-£21,891) due to A. Clark's West End Motors Limited, £3,502 (1976-£1,167) due to Arnold Clark (Paisley) Limited and £348 (1976 = £53) due to Arnold Clark (Bearsden) Limited.

Note 3

Sundry Debtors

1976			
£ 98	Sundry Hire Purchase Debtors		£ -
£ 2,202	Hire Purchase instalments due but unpaid	£ 2,202	
2,202	Less: Provision for Bad Debts	2,202	
£ -			-
£54,608	Sundry Debtors and Prepaid Charges	£51,434	
7,083	Less: Provision for Bad Debts	8,824	
			42,610
£47,525			
£47,623			£42,610

Note 4 This overdraft is secured by a Standard Security over Heritable Property owned by the Company's Holding Company. It is also guaranteed by the Holding Company.

ARNOLD CLARK FINANCE LIMITED

Statement of Source and Application of Funds

1976			
	Source of Funds		
£243,128	Profit before Tax		£ 580,399
	Adjustment for items not involving the movement of funds:-		
147,242	Depreciation		258,266
£390,370			£ 838,665
356,628	Sales of Fixed Assets		785,196
£746,998			£1,623,861
	Application of Funds		
657,955	Purchase of Fixed Assets		1,994,451
£ 89,043			(£ 370,590)
	Increase (Decrease) in Working Capital		
£ 7,430	Decrease/Increase in Debtors	(£ 5,013)	
(12,618)	Decrease in Cash and Bank Balances	(350,255)	
(17,566)	Increase in Sundry Creditors	(4,679)	
(16,105)	Decrease/Increase in Contract Hire Instalments paid in Advance	39,531	
172,052	Increase/Decrease in H.P. Creditor	(101,347)	
(44,150)	Decrease/Increase in amount owing to Holding Company	51,173	
£ 89,043			(£ 370,590)

PORT GLASGOW - 7th September, 1978

In our opinion, the foregoing Balance Sheet and Profit and Loss Account have been properly prepared in accordance with the provisions of the Companies Acts 1948 and 1967 and give respectively a true and fair view of the State of affairs of Arnold Clark Finance Limited as at 31st December, 1977 and of the Profit for the year ended on that date.

CHARTERED ACCOUNTANTS

SCAN UPON DEMAND

We apologise that due

to the poor quality of the fiche,

some of the images scanned

were also of poor quality