

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998
FOR
PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED



200

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 1998

DIRECTORS:	D I Park I B MacKay G Donnachie J Miller D R Heath
SECRETARY:	Gerard Donnachie
REGISTERED OFFICE:	20 Bothwell Road Hamilton
REGISTERED NUMBER:	63779 (Scotland)
AUDITORS:	Thomas Barrie & Co Registered Auditors Chartered Accountants Atlantic Chambers 1a Cadogan Street Glasgow G2 6QE
BANKERS:	Bank of Scotland Plc New Cross Hamilton
SOLICITORS:	Holmes Mackillop 109 Douglas Street Glasgow

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 1998

The directors present their report with the financial statements of the company for the year ended 31 March 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale and service of private and commercial vehicles together with the sale of motor fuels, oil and motor accessories, motor homes, caravans and caravan accessories.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider the results to be satisfactory.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 1998.

FIXED ASSETS

Details of changes in Fixed Assets are set out in the Notes on Accounts.

DIRECTORS

The directors during the year under review were:

D I Park
I B MacKay
G Donnachie
J Miller
D R Heath

The directors holding office at 31 March 1998 did not hold any beneficial interest in the issued share capital of the company at 1 April 1997 or 31 March 1998.

In accordance with the Articles of Association, J Miller and D R Heath will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

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 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 judgments 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.

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 1998

AUDITORS

The auditors, Thomas Barrie & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in dark ink, appearing to read 'Gerard Donnachie', written in a cursive style.

Gerard Donnachie - SECRETARY

Dated: 12 June 1998

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

We have audited the financial statements on pages five to fourteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two 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

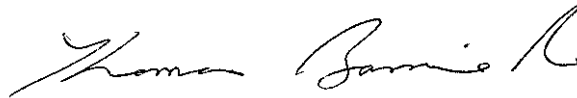
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thomas Barrie & Co
Registered Auditors
Chartered Accountants
Atlantic Chambers
1a Cadogan Street
Glasgow
G2 6QE



Dated: 12 June 1998

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 1998

<u>1997</u>				<u>1998</u>
£	£		Notes	£
3,964,715		TURNOVER	2	4,620,878
<u>14,933</u>		Other operating income		<u>15,201</u>
3,979,648				4,636,079
<u>3,525,423</u>		Raw materials and consumables		<u>4,085,706</u>
454,225				550,373
	190,713	Staff costs	3	212,228
	9,761	Depreciation		34,332
	<u>174,320</u>	Other operating charges		<u>191,259</u>
<u>374,794</u>				<u>437,819</u>
79,431		OPERATING PROFIT	4	112,554
		Interest payable and similar charges	5	
<u>35,943</u>				<u>60,368</u>
43,488		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		52,186
		Tax on profit on ordinary activities	6	
<u>12,290</u>				<u>4,818</u>
31,198		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		47,368
<u>30,000</u>		Dividends	7	<u>-</u>
1,198				47,368
<u>1,897</u>		Retained profit brought forward		<u>3,095</u>
<u>£3,095</u>		RETAINED PROFIT CARRIED FORWARD		<u>£50,463</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

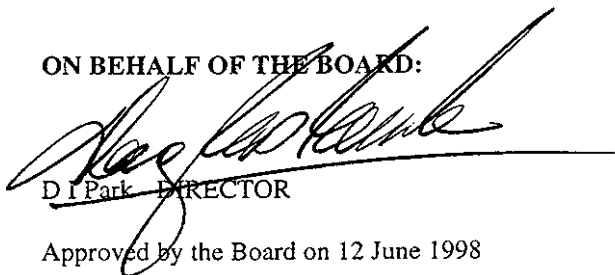
The notes form part of these financial statements

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

BALANCE SHEET
31 March 1998

<u>1997</u>				<u>1998</u>
£	£		Notes	£
		FIXED ASSETS:		
137,031		Tangible assets	8	99,553
		CURRENT ASSETS:		
	650,284	Stocks	9	920,039
	92,262	Debtors	10	59,561
	<u>210</u>	Cash in hand		<u>210</u>
	742,756			979,810
	<u>757,557</u>	CREDITORS: Amounts falling due within one year	11	<u>915,703</u>
<u>(14,801)</u>		NET CURRENT ASSETS/(LIABILITIES):		<u>64,107</u>
122,230		TOTAL ASSETS LESS CURRENT LIABILITIES:		163,660
<u>19,135</u>		PROVISIONS FOR LIABILITIES AND CHARGES:	14	<u>13,197</u>
<u>£103,095</u>				<u>£150,463</u>
		CAPITAL AND RESERVES:		
100,000		Called up share capital	15	100,000
<u>3,095</u>		Profit and loss account		<u>50,463</u>
<u>£103,095</u>		Shareholders' funds	19	<u>£150,463</u>

ON BEHALF OF THE BOARD:


D I Park DIRECTOR

Approved by the Board on 12 June 1998

The notes form part of these financial statements

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

CASH FLOW STATEMENT
for the Year Ended 31 March 1998

<u>1997</u>			<u>1998</u>
£		Notes	£
(12,638)	Net cash outflow from operating activities	1	(80,525)
(35,943)	Returns on investments and servicing of finance	2	(60,368)
(7,860)	Taxation		(15,689)
(20,352)	Capital expenditure	2	3,146
<u>(30,000)</u>	Equity dividends paid		<u>-</u>
<u>£(106,793)</u>	Decrease in cash in the period		<u>£(153,436)</u>
<hr/>			
	Reconciliation of net cash flow to movement in net debt	3	
<u>(106,793)</u>	Decrease in cash in the period		<u>(153,436)</u>
<u>(106,793)</u>	Change in net debt resulting from cash flows		<u>(153,436)</u>
<u>(106,793)</u>	Movement in net debt in the period		<u>(153,436)</u>
<u>(493,963)</u>	Net debt at 1 April 1997		<u>(600,756)</u>
<u>£(600,756)</u>	Net debt at 31 March 1998		<u>£(754,192)</u>

The notes form part of these financial statements

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 1998

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Operating profit	112,554	79,431
Depreciation charges	34,833	27,680
Profit on sale of fixed assets	(501)	(17,919)
Increase in stocks	(269,755)	(72,127)
Decrease/(Increase) in debtors	32,701	(5,149)
Increase/(Decrease) in creditors	<u>9,643</u>	<u>(24,554)</u>
Net cash outflow from operating activities	<u><u>(80,525)</u></u>	<u><u>(12,638)</u></u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	1998 £	1997 £
Returns on investments and servicing of finance		
Interest paid	<u>(60,368)</u>	<u>(35,943)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(60,368)</u></u>	<u><u>(35,943)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(44,789)	(142,842)
Sale of tangible fixed assets	<u>47,935</u>	<u>122,490</u>
Net cash inflow/(outflow) for capital expenditure	<u><u>3,146</u></u>	<u><u>(20,352)</u></u>

The notes form part of these financial statements

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 1998

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.97 £	Cash flow £	At 31.3.98 £
Net cash:			
Cash at bank and in hand	210	-	210
Bank overdraft	<u>(600,966)</u>	<u>(153,436)</u>	<u>(754,402)</u>
	<u>(600,756)</u>	<u>(153,436)</u>	<u>(754,192)</u>
 Total	 <u>(600,756)</u>	 <u>(153,436)</u>	 <u>(754,192)</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	210		210
Bank overdraft	<u>(600,966)</u>		<u>(754,402)</u>
	<u>(600,756)</u>		<u>(754,192)</u>

The notes form part of these financial statements

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	1998	1997
	£	£
Wages and salaries	194,173	175,339
Social security costs	<u>18,055</u>	<u>15,374</u>
	<u>212,228</u>	<u>190,713</u>

The average monthly number of employees during the year was as follows:

	1998	1997
Office and Management	3	3
Production	<u>14</u>	<u>15</u>
	<u>17</u>	<u>18</u>

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1998

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1998	1997
	£	£
Depreciation - owned assets	34,833	27,680
Profit on disposal of fixed assets	(501)	(17,919)
Auditors' remuneration	<u>3,750</u>	<u>3,500</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997
	£	£
Stocking Interest	<u>60,368</u>	<u>35,943</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1998	1997
	£	£
UK Corporation Tax	10,756	6,782
Deferred taxation	<u>(5,938)</u>	<u>5,508</u>
	<u>4,818</u>	<u>12,290</u>

UK Corporation Tax has been charged at 24.15% (1997 - 33%).

The tax charge has been reduced by group relief surrendered to the company.

7. DIVIDENDS

	1998	1997
	£	£
Equity shares:		
Interim Dividend	<u>-</u>	<u>30,000</u>

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1998

8. TANGIBLE FIXED ASSETS

	<u>Totals</u>	<u>Plant and machinery</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST:				
At 1 April 1997	195,075	68,260	13,474	113,341
Additions	44,789	7,866	-	36,923
Disposals	<u>(52,995)</u>	<u>(1,333)</u>	<u>(70)</u>	<u>(51,592)</u>
At 31 March 1998	<u>186,869</u>	<u>74,793</u>	<u>13,404</u>	<u>98,672</u>
DEPRECIATION:				
At 1 April 1997	58,044	46,093	9,221	2,730
Charge for year	34,833	6,620	1,113	27,100
Eliminated on disposals	<u>(5,561)</u>	<u>(1,333)</u>	<u>(70)</u>	<u>(4,158)</u>
At 31 March 1998	<u>87,316</u>	<u>51,380</u>	<u>10,264</u>	<u>25,672</u>
NET BOOK VALUE:				
At 31 March 1998	<u>99,553</u>	<u>23,413</u>	<u>3,140</u>	<u>73,000</u>
At 31 March 1997	<u>137,031</u>	<u>22,167</u>	<u>4,253</u>	<u>110,611</u>

9. STOCKS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Stock	919,580	649,947
Work in Progress	<u>459</u>	<u>337</u>
	<u>920,039</u>	<u>650,284</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
V.A.T.	320	6,895
Trade Debtors	45,683	56,251
Amounts Due by Group Companies	4,654	4,821
Prepayments & Accrued Income	8,904	24,150
Other Debtors	<u>-</u>	<u>145</u>
	<u>59,561</u>	<u>92,262</u>

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1998

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998 £	1997 £
Bank loans and overdrafts (see note 12)	754,402	600,966
Trade Creditors	74,606	82,432
Other Creditors	3,285	1,765
Amounts Due to Group Companies	19,467	40,658
Social Security & Other Taxes	4,369	4,173
Taxation	1,849	6,782
Accrued Expenses	<u>57,725</u>	<u>20,781</u>
	<u>915,703</u>	<u>757,557</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1998 £	1997 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>754,402</u>	<u>600,966</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	1998 £	1997 £
Bank overdrafts	<u>754,402</u>	<u>600,966</u>

The company has granted bonds and floating charges in favour of the Bank of Scotland and in favour of companies in the Capital Bank Group.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	1998 £	1997 £
Deferred taxation	<u>13,197</u>	<u>19,135</u>
	Deferred taxation £	
Balance at 1 April 1997	19,135	
Reduction in Provision	<u>(5,938)</u>	
Balance at 31 March 1998	<u>13,197</u>	

PARK'S OF HAMILTON (CROFTHEAD GARAGE)
LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1998

14. PROVISIONS FOR LIABILITIES AND CHARGES - continued

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated Capital Allowances	<u>13,197</u>	<u>19,135</u>	<u>-</u>	<u>-</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998	1997
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

16. ULTIMATE PARENT COMPANY

The ultimate holding company is Park's of Hamilton (Holdings) Limited which is registered in Scotland.

17. CONTINGENT LIABILITIES

The company, together with the parent company and all subsidiaries within the Group, have entered into cross guarantees in respect of each company's indebtedness to the Bank of Scotland and, with the exception of three fellow subsidiaries, to companies in the Capital Bank Group.

18. RELATED PARTY DISCLOSURES

There were no material related party transactions in the year. The company has taken advantage of the exemption from providing information about transactions within the group.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Profit for the financial year	47,368	31,198
Dividends	<u>-</u>	<u>(30,000)</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	47,368	1,198
Opening shareholders' funds	<u>103,095</u>	<u>101,897</u>
CLOSING SHAREHOLDERS' FUNDS	<u>150,463</u>	<u>103,095</u>
Equity interests	<u>150,463</u>	<u>103,095</u>