

# A A Clark Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2006

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COMPANIES HOUSE

Company Registration No 117238

# A A Clark Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

P Newton  
DA Grayson FCA  
PA Smith FCCA  
KJ Eggins

### SECRETARY

D A Grayson

### COMPANY NUMBER

117238 (England and Wales)

### REGISTERED OFFICE

Goswell House  
Shirley Avenue  
Windsor  
Berkshire  
SL4 5LH

### AUDITORS

Baker Tilly UK Audit LLP  
Springpark House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

# A A Clark Limited

## DIRECTORS' REPORT

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The directors present their report and financial statements of A A Clark Limited for the year ended 31 December 2006

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of garage proprietors, motor car distributors and motor car hirers

### REVIEW OF THE BUSINESS

During the year the company took the decision to close daily rental operations and further reduce fleet sales. This was made due to a reduction in gross margin. The resulting improvement in gross margin is a direct reflection of this decision. Operating expenses could not however be reduced sufficiently to return the company to an operating profit.

### PRINCIPAL STATEMENT OF RISK

The directors have assessed the major risks facing the business. They are considered to be normal commercial and operational risks associated with a motor franchise.

Funding for the business is provided by shareholder loans and bank overdraft facility. These are considered sufficient for the future needs of the business and the long standing relationship with the bank lessens any risk associated with this.

### KEY PERFORMANCE INDICATORS

The company uses financial and other ratios to measure performance. During the year gross margin increased by 4.6% to 18.8%. Stock levels have fallen from £1.2m in 2005 to £0.5m at the end of 2006 reducing the risk of exposure to used car valuations.

### FUTURE DEVELOPMENTS

Since 31st December 2006 the company has undertaken and completed a restructure of parts of its business as detailed below.

Termination of Vauxhall distributor agreement

Sale of short term leasehold premises

Sale of accident repair business

The sale of a property surplus to requirements following an exchange of contracts which is due to complete on 15th November 2007.

The expectation is that the actions taken will return the business to profitability within the next two years.

### RESULTS AND DIVIDENDS

The results for the company for the year under review are set out in the profit and loss account on page 5.

The directors have not recommended a payment of a final dividend.

### DIRECTORS

The following directors have held office since 1 January 2006

P Newton

R J Clark

(Resigned 27 August 2006)

DA Grayson FCA

TW Kirby

(Resigned 31 July 2007)

PA Smith FCCA

KJ Eggins

# A A Clark Limited

## DIRECTORS' REPORT (CONTINUED)

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### DIRECTORS' INTERESTS IN SHARES

No director had any interest in the shares of the company

P Newton, DA Grayson and PA Smith are directors of the ultimate parent company, Aureole Windsor Limited, and their interests in the shares of that company are disclosed in that company's financial statements

### AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989 s26(5) Baker Tilly Audit LLP has indicated its willingness to continue in office  
A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the annual general meeting

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

On behalf of the board



P A Smith  
Director  
26 October 2007

# A A Clark Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 that 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A A CLARK LIMITED

We have audited the financial statements on pages 5 to 19

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of the directors and auditor**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985, and whether the information given in the Directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
Springpark House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

30 October 2007

# A A Clark Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2006

	<i>Notes</i>	2006 £	2005 £
TURNOVER	1	14,469,332	22,335,138
Cost of sales		<u>11,742,943</u>	<u>19,175,715</u>
Gross profit		2,726,389	3,159,423
Other operating expenses (net)	2	<u>2,955,866</u>	<u>3,273,432</u>
OPERATING LOSS		(229,477)	(114,009)
Investment income	3	<u>12,173</u>	<u>2,277</u>
		(217,304)	(111,732)
Interest payable	4	<u>225,762</u>	<u>212,968</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(443,066)	(324,700)
Taxation	7	<u>(10,107)</u>	<u>(68,222)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	17	<u>(432,959)</u>	<u>(256,478)</u>

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# A A Clark Limited

## BALANCE SHEET

31 December 2006

	Notes	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	8 and 9	2,918,406	3,658,360
Investments	10	3,000,000	3,000,000
		<u>5,918,406</u>	<u>6,658,360</u>
<b>CURRENT ASSETS</b>			
Stocks	11	459,393	1,183,689
Debtors	12	3,687,593	3,982,294
Cash at bank and in hand		30,950	23,201
		<u>4,177,936</u>	<u>5,189,184</u>
<b>CREDITORS</b> Amounts falling due within one year	13	824,255	1,098,339
<b>NET CURRENT ASSETS</b>		<u>3,353,681</u>	<u>4,090,845</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,272,087	10,749,205
<b>CREDITORS</b> Amounts falling due after more than one year	14	(4,612,976)	(5,657,135)
		<u>4,659,111</u>	<u>5,092,070</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	3,003,550	3,003,550
Revaluation reserve	17	1,536,736	1,536,736
Profit and loss account	17	118,825	551,784
<b>SHAREHOLDERS' FUNDS</b>	18	<u>4,659,111</u>	<u>5,092,070</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 26 October 2007 and are signed on its behalf by

P Newton  


Director



# A A Clark Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

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

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost or valuation less depreciation

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Freehold buildings	over 50 years
Leasehold properties	over the remaining terms of the lease
Plant and machinery	20% reducing balance
Motor vehicles	on a straight line basis over an average of 2 years

Certain of the company's freehold land and buildings were revalued either by the directors in 1992 or by professional consultants in 1986

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties. This treatment may be a departure from the requirements of the Company's Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### INVESTMENTS

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

### STOCK

Stocks are valued on a first in, first out basis at the lower of cost and net realisable value

Cost includes all expenditure incurred in the normal course of business in bringing stocks to their present location and condition

Net realisable value is based upon estimated selling price less further costs expected to be incurred up to subsequent disposal

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are recognised to the extent that it is regarded as more than not that they will be recovered

# A A Clark Limited

## ACCOUNTING POLICIES (CONTINUED)

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### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### PENSIONS CONTRIBUTIONS

The company participates in two defined contribution pension schemes operated on a group basis covering the majority of the permanent employees.

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

### VEHICLES ON SHORT TERM HIRE

Vehicles held for hire are included in the balance sheet as tangible fixed assets at cost less accumulated depreciation.

Depreciation on vehicles held for hire is provided on a straight line basis over an average of 2 years.

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity wholly undertaken in the United Kingdom

2	OTHER OPERATING EXPENSES (NET)	2006 £	2005 £
	Distribution costs	279,666	404,532
	Administrative expenses	2,958,413	3,200,813
	Other operating income	(282,213)	(331,913)
		<u>2,955,866</u>	<u>3,273,432</u>
3	INVESTMENT INCOME	2006 £	2005 £
	Bank interest	<u>12,173</u>	<u>2,277</u>
4	INTEREST PAYABLE	2006 £	2005 £
	On bank loans and overdrafts	-	46,259
	Hire purchase interest	-	30,264
	Other interest	225,762	136,445
		<u>225,762</u>	<u>212,968</u>
5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2006 £	2005 £
	Loss on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation of tangible assets		
	Charge for the year		
	owned assets	247,032	417,950
	Profit on disposals	(6,556)	(16,323)
	Operating lease rentals		
	Land and buildings	328,723	299,831
	Auditors' remuneration	26,000	26,000
		<u>328,723</u>	<u>299,831</u>

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2006

### 6 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was	2006 No	2005 No
Office and Management	31	32
Sales	4	6
Other	66	85
	<u>101</u>	<u>123</u>

	£	£
Staff costs for the above persons		
Wages and salaries	2,389,580	2,597,406
Social security costs	243,706	265,619
Other pension costs	112,675	121,430
	<u>2,745,961</u>	<u>2,984,455</u>

DIRECTORS' REMUNERATION	2006 £	2005 £
Remuneration	354,572	422,076
Amounts paid to money purchase pension schemes	17,066	27,857
	<u>371,638</u>	<u>449,933</u>
Emoluments for qualifying services	<u>32,954</u>	<u>40,482</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 5 (2005- 6)

Emoluments disclosed above include the following amounts paid to the highest paid director

	2006 £	2005 £
Emoluments for qualifying services	132,238	145,000
Company pension contributions to money purchase schemes	2,900	11,600
	<u>135,138</u>	<u>156,600</u>

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2006

7	TAXATION	2006 £	2005 £
	Domestic current year tax		
	U K corporation tax	-	37,778
	Current tax charge	-	37,778
	Deferred tax		
	Deferred tax charge/credit current year	(10,107)	(106,000)
		(10,107)	(68,222)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(443,066)	(324,700)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 30.00% (2005 30.00%)	(132,920)	(97,410)
	Effects of		
	Non deductible expenses	165	3,000
	Capital allowances in excess of depreciation	64,813	106,000
	Tax losses utilised	(2,750)	(11,000)
	Other tax adjustments	70,692	37,188
		132,920	135,188
	Current tax charge	-	37,778

The company has estimated losses of £ 235,641 (2005 £ 357,605) available for carry forward against future trading profits

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2006

### 8 TANGIBLE FIXED ASSETS

	<i>Investment Properties</i>	<i>Land and buildings Freehold</i>	<i>Land and buildings Leasehold</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Tot</i>
	£	£	£	£	£	£
Cost or valuation						
1 January 2006	210,212	2,137,813	240,064	800,410	1,175,099	4,563,59
Additions	-	-	-	8,796	888,409	897,20
Disposals	-	-	-	-	(1,616,927)	(1,616,92
31 December 2006	210,212	2,137,813	240,064	809,206	446,581	3,843,87
Depreciation						
1 January 2006	-	36,000	96,024	654,024	119,190	905,23
Charge in the year	-	6,000	12,003	40,199	188,830	247,03
Disposals	-	-	-	-	(226,800)	(226,800
31 December 2006	-	42,000	108,027	694,223	81,220	925,47
Net book value						
31 December 2006	210,212	2,095,813	132,037	114,983	365,361	2,918,40
31 December 2005	210,212	2,137,813	108,040	146,386	1,055,909	3,658,36

The company's investment properties were revalued at open market values at 31 December 2005 by the directors

Certain of the company's land and buildings were revalued at their open market values at 31 December 1992 by the directors

Certain of the company's land and buildings were revalued at their open market values at 31 December 1986 by professional consultants

Cost or valuation at 31 December 2006 is represented by

	<i>Investment Properties</i>	<i>Land and buildings Freehold</i>	<i>Land and buildings Leasehold</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Tot</i>
	£	£	£	£	£	£
Valuation in 2005	210,212					210,21
Valuation in 1992		1,250,000				1,250,00
Valuation in 1986		525,000				525,00
Cost		362,813	240,064	809,206	446,581	1,858,66
	210,212	2,137,813	240,064	809,206	446,581	3,843,87

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2006

### 9 TANGIBLE FIXED ASSETS

	<i>Investment properties</i> £	<i>Land and Buildings</i> £
Cost or valuation		
1 January 2006	210,212	841,141
1 January 2006 and 31 December 2006	210,212	841,141
Depreciation based on cost		
1 January 2006	-	(132,024)
Charge in the year	-	(18,003)
1 January 2006 and 31 December 2006	-	(150,027)
Net historical cost book value		
31 December 2006	210,212	691,114
31 December 2005	210,212	709,117

### 10 FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i> £
Cost or valuation	
1 January 2006 and 31 December 2006	3,000,000

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

The company holds 100% of the equity of Windsor Vehicle Leasing Limited, a company registered in England and Wales whose activities are those of motor vehicle lessors

The company is exempt from the requirements to prepare group accounts since its immediate parent, Aureole Investments Limited, is incorporated in Great Britain and registered in England and Wales

11 STOCKS	2006 £	2005 £
Finished goods and goods for resale	459,393	1,183,689

The replacement value of stocks is not materially greater than the balance sheet value

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2006

12 DEBTORS	2006 £	2005 £
Trade debtors	654,422	940,555
Amounts owed by subsidiary undertakings	2,718,921	2,718,921
Other debtors	1,808	4,310
Prepayments and accrued income	181,335	197,508
Deferred tax asset	131,107	121,000
	<u>3,687,593</u>	<u>3,982,294</u>
Amounts falling due after more than one year and included in the debtors above are		
	2006 £	2005 £
Amounts owed by group undertakings	<u>2,718,921</u>	<u>2,718,921</u>
Deferred tax		
	2006 £	
Balance at 1 January 2006	121,000	
Profit and loss account	10,107	
	<u>131,107</u>	
Balance at 31 December 2006	<u>131,107</u>	
	2006 £	2005 £
Accelerated capital allowances	<u>131,107</u>	<u>121,000</u>
13 CREDITORS Amounts falling due within one year	2006 £	2005 £
Bank overdraft	69,352	109,241
Trade creditors	424,843	619,193
Taxes and social security costs	206,550	270,896
Accruals and deferred income	123,510	99,009
	<u>824,255</u>	<u>1,098,339</u>

The total overdraft facility of £500,000 is secured by way of a personal guarantee from the Director, Philip Newton to an amount of £250,000. The remaining balance of the overdraft facility is unsecured.



# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2006

14 CREDITORS Amounts falling due in more than one year	2006 £	2005 £
Amounts owed to group undertakings	154,371	1,198,530
Other medium term loans	4,458,605	4,458,605
	<u>4,612,976</u>	<u>5,657,135</u>

Other loans amounting to £415,000 (2005 £415,000) are secured by a charge over the company's freehold property. These loans bear interest at commercial rates and are repayable in full in May 2008.

Other loans amounting to £43,605 (2005 £43,605) are unsecured. These loans bear interest at commercial rates and are repayable on three months notice. The lenders have given undertakings that they will neither seek nor expect repayment of these loans within a period of not less than twelve months from the balance sheet date.

Other loans amounting to £4,000,000 (2005 £4,000,000) are secured by a fixed and floating charge over the company's assets. This loan bears interest at commercial rates and is repayable on three months notice no earlier than 1 July 2008.

## 15 PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation</i> £
Balance at 1 January 2006	(121,000)
Transfer to profit and loss account	(10,107)
Balance at 31 December 2006	<u>(131,107)</u>

Deferred taxation provided in the financial statements is as follows

	2006 £	2005 £
Excess of tax allowances over depreciation	<u>(131,107)</u>	<u>(121,000)</u>

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2006

16 SHARE CAPITAL	2006 £	2005 £
Authorised		
3,000,050 Ordinary shares of £1 each	3,000,050	3,000,050
7,000 Deferred shares of 50p each	3,500	3,500
	<u>3,003,550</u>	<u>3,003,550</u>
Allotted, issued and fully paid		
3,000,050 Ordinary shares of £1 each	3,000,050	3,000,050
7,000 Deferred shares of 50p each	3,500	3,500
	<u>3,003,550</u>	<u>3,003,550</u>

In the event of winding up the shareholders of the ordinary shares have a right to repayment of capital in priority to any repayment of the capital of the deferred shares. The deferred shares have no voting or dividend rights and do not participate in the distribution of any surplus on winding up.

## 17 STATEMENT OF MOVEMENT ON RESERVES

	Revaluation reserve £	Profit and loss account £
1 January 2006	1,536,736	551,784
Retained loss for the year	-	(432,959)
	<u>1,536,736</u>	<u>118,825</u>
31 December 2006		

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2006 £	2005 £
Loss for the financial year	(432,959)	(256,478)
Opening shareholders' funds	5,092,070	5,348,548
	<u>4,659,111</u>	<u>5,092,070</u>
Closing shareholders' funds		

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2006

### 19 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006 £	2005 £
Land and buildings expiring in the second to fifth year	53,500	53,500
expiring after five years	50,000	50,000
	<u>103,500</u>	<u>103,500</u>

### 20 CONTINGENT LIABILITIES

The company is included in group guarantees of the hire purchase loans and vehicle fleet loans of its subsidiary company. At 31 December 2006, the contingent liability in respect of these guarantees was £10,236,749 (2005 £12,802,463)

The company is included in a group registration for VAT purposes with its parent company and fellow subsidiaries. All members of the VAT group are jointly and severally liable for the total amount of VAT due and at 31 December 2006, the contingent liability in respect of this group registration was £182,856 (2005 £6,489)

### 21 PENSION COMMITMENTS

#### DEFINED CONTRIBUTION

	2006 £	2005 £
Contributions payable by the company for the year	<u>112,675</u>	<u>121,430</u>

### 22 TRANSACTIONS WITH DIRECTORS

The company received a loan in 2005 from Philip Newton, a director. The loan is secured by a fixed and floating charge over the company's assets and is repayable on three months' notice. Interest payable on the loan during the year ended 31 December 2006 amounted to £217,807 (2005 £49,096)

### 23 CONTROL

The company's ultimate parent company is Aureole Windsor Limited

Copies of the parent company's financial statements are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ

# A A Clark Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2006

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### 24 RELATED PARTY TRANSACTIONS

Details of the company's ultimate parent company are given in Note 23

The company has taken advantage of the exemptions from disclosure of transactions with group companies available to subsidiary undertakings under Financial reporting Standard No 8