

2352103

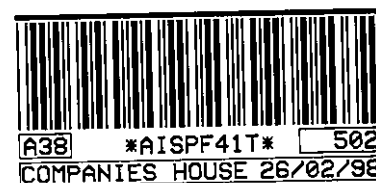
WARWICK CAR COMPANY LIMITED

COMPANY NUMBER 2352103

FINANCIAL STATEMENTS

31 MAY 1997

MIKE GIBSON  
Chartered Accountant  
32 Parkfield Gardens  
Harrow  
Middlesex HA2 6JR



WARWICK CAR COMPANY LIMITED

COMPANY INFORMATION

REGISTERED NUMBER 2352103

DIRECTORS

R K THOMAS  
M J MAY

SECRETARY AND REGISTERED OFFICE

R K THOMAS  
4 Combers End  
Tetbury  
Gloucestershire GL8 8LQ

AUDITORS

MIKE GIBSON  
Chartered Accountant and Registered Auditor  
32 Parkfield Gardens  
Harrow  
Middlesex HA2 6JR

# WARWICK CAR COMPANY LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1997

The directors present their report and the financial statements for the year ended 31 May 1997.

### 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 judgements 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.

### Principal Activity

The company's principal activity continues to be that of garage services, offering MOT and repair facilities, car hire and sales.

### Directors

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

	<u>Number of £1 ordinary shares</u>	
	<u>1997</u>	<u>1996</u>
R K Thomas	50	50
M J May	50	50

### Auditors

The auditors, Mike Gibson, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985, was approved by the board on 14 February 1998 and signed on their behalf.



R K THOMAS  
Secretary

WARWICK CAR COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WARWICK CAR COMPANY LIMITED

I have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

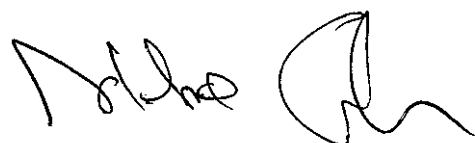
Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



MIKE GIBSON  
Chartered Accountant and Registered Auditor

32 Parkfield Gardens  
Harrow  
Middlesex  
HA2 6JR

16 February 1998

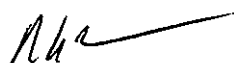
WARWICK CAR COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1997

		<u>1997</u>	<u>1996</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
<u>TURNOVER</u>	2	509279	479385
Cost of sales		<u>392601</u>	<u>358562</u>
<u>GROSS PROFIT</u>		116678	120823
Administrative expenses		<u>105599</u>	<u>103279</u>
<u>OPERATING PROFIT</u>	3	11079	17544
Profit on disposal of tangible fixed assets		<u>1603</u>	<u>273</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		12682	17817
Interest receivable		31	37
Interest payable	4	<u>(8259)</u>	<u>(7989)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		4454	9865
Tax on profit on ordinary activities	5	<u>1575</u>	<u>2750</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		2879	7115
Dividends		<u>-</u>	<u>9000</u>
<u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>		2879	(1885)
Deficit brought forward		<u>(14686)</u>	<u>(12801)</u>
<u>DEFICIT CARRIED FORWARD</u>		<u>£ (11807)</u>	<u>£(14686)</u>

There were no recognised gains and losses for 1997 or 1996 other than those included in the profit and loss account.



The notes on pages 5 to 10 form part of these financial statements.

WARWICK CAR COMPANY LIMITED

BALANCE SHEET

AS AT 31 MAY 1997

		<u>1997</u>		<u>1996</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>	6				
Tangible assets		15708		26062	
Intangible assets		<u>8363</u>		<u>10188</u>	
		24071		36250	
<u>CURRENT ASSETS</u>					
Stock	7	29156		14859	
Debtors		24295		27383	
Cash at bank and in hand		<u>2514</u>		<u>2321</u>	
		55965		44563	
<u>CREDITORS: Amounts falling due within one year</u>	9	<u>73220</u>		<u>61171</u>	
<u>NET CURRENT (LIABILITIES)</u>		(17255)		(16608)	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		6816		19642	
<u>CREDITORS: Amounts falling due after more than one year</u>	10	<u>18523</u>		<u>34228</u>	
<u>NET LIABILITIES</u>		<u>£(11707)</u>		<u>£(14586)</u>	
<u>CAPITAL AND RESERVES</u>					
Called up share capital	12	100		100	
Profit and loss account		(11807)		(14686)	
<u>EQUITY SHAREHOLDERS FUNDS</u>		<u>£(11707)</u>		<u>£(14586)</u>	

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The financial statements were approved by the board on 14 February 1998 and signed on its behalf.



R K THOMAS  
Director

The notes on pages 5 to 10 form part of these financial statements.

# WARWICK CAR COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

AT 31 MAY 1997

### 1. ACCOUNTING POLICIES

#### Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the Directors Report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Stock and Work in Progress

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

#### Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets on a straight line basis at rates calculated to write-off the cost of each asset over its expected useful life as follow:

Plant and equipment	:	15%
Fixtures and fittings	:	15%
Motor vehicles	:	25%

The acquisition cost of goodwill is amortised over the period of the lease on the leasehold premises (12 years).

#### Deferred Taxation

Provision for deferred taxation is only made where it is expected that such taxation is likely to become payable in the foreseeable future. The foreseeable future is taken to be 3 years.

#### Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

#### Turnover

Turnover comprises the invoiced value of services and vehicles sold by the company, net of Value Added Tax.

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MAY 1997

1. ACCOUNTING POLICIES contd.

Hire Purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets, and depreciated in accordance with the rates shown above. Obligations under such agreements are included in creditors net of the finance charge, which is charged to profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

No exports were made during the year (1996 : Nil).

The company's turnover comprises general garage services and used vehicle sales as follows:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Vehicle sales	223912	241265
Garage services	<u>285367</u>	<u>238120</u>
	£509279	£479385
	<u>          </u>	<u>          </u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Directors' emoluments	23400	24000
Directors' pension contributions	2765	1560
Auditors' remuneration	1750	1600
Depreciation and amortisation of tangible fixed assets owned by the company	8623	9379
Hire of plant, machinery and office equipment	<u>4570</u>	<u>4459</u>

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MAY 1997

4. INTEREST PAYABLE

Included in interest payable is interest on hire purchase contracts of £1735 (1996 : £3519).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Charge for the year at 23.5% (1996 : 24.83%)	<u>£ 1575</u>	<u>£ 2750</u>

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £300 (1996 : £460) due to accelerated capital allowances.

6. FIXED ASSETS

	<u>Tangible Assets</u>			<u>Intangible</u>	
	<u>Plant and</u>	<u>Fixtures</u>	<u>Motor</u>	<u>Assets</u>	
	<u>Equipment</u>	<u>and Fittings</u>	<u>Vehicles</u>	<u>Goodwill</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>					
At 1 June 1996	9932	4593	29700	21897	66122
Additions	-	1016	4000	-	5016
Disposals	-	-	(9500)	-	(9500)
At 31 May 1997	<u>9932</u>	<u>5609</u>	<u>24200</u>	<u>21897</u>	<u>61638</u>
<u>Depreciation</u>					
At 1 June 1996	6227	2958	8978	11709	29872
Charge for the year	1490	841	4467	1825	8623
Disposals	-	-	(928)	-	(928)
At 31 May 1997	<u>7717</u>	<u>3799</u>	<u>12517</u>	<u>13534</u>	<u>37567</u>
<u>Net Book Value</u>					
At 31 May 1997	<u>£2215</u>	<u>£1810</u>	<u>£11683</u>	<u>£ 8363</u>	<u>£24071</u>
At 31 May 1996	<u>£3705</u>	<u>£1635</u>	<u>£20722</u>	<u>£10188</u>	<u>£36250</u>

Motor vehicles costing £9200 (1996 : £19700), and with a written down value of £6183 (1996 : £16222) at 31 May 1997 are subject to hire purchase agreements.

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MAY 1997

7. STOCK

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Garage materials and work in progress	2226	3659
Vehicles for resale	<u>26930</u>	<u>11200</u>
	<u>£29156</u>	<u>£14859</u>

8. DEBTORS

Due within one year:

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	24295	26725
Other debtors	<u>-</u>	<u>658</u>
	<u>£24295</u>	<u>£27383</u>

9. CREDITORS: Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Bank overdraft	16783	-
Trade creditors	22005	25936
Accruals	4350	2991
Taxation and social security	16782	12169
Corporation tax	1575	2750
Net obligations under hire purchase creditors	6657	12257
Current instalment of bank loans	<u>5068</u>	<u>5068</u>
	<u>£73220</u>	<u>£61171</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company, and by personal guarantees of the directors.

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MAY 1997

10. CREDITORS: Amounts falling due after more than one year

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Net obligations under hire purchase contracts	-	10615
Bank loans repayable within 4 years ( 1996: 5 years)	<u>18523</u>	<u>23613</u>
	<u>£18523</u>	<u>£34228</u>

11. DEFERRED TAXATION

The potential liability to deferred taxation due to accelerated capital allowances claimed in advance of depreciation charges is £300 (1996 : £460). No provision has been made in these accounts.

12. CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>	<u>100</u>	<u>100</u>

13. CONTINGENT LIABILITY

The company had no contingent liabilities at the year end (1996 : Nil).

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MAY 1997

14. MOVEMENT ON SHAREHOLDERS FUNDS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Profit for the year	2879	7115
Less: Dividend	-	(9000)
	2879	(1885)
Opening shareholders funds	(14586)	(12701)
Closing shareholders funds	£(11707)	£(14586)

15. CAPITAL COMMITMENTS

At the year end the company had no capital commitments (1996 : Nil).

16. OTHER COMMITMENTS

At 31 May 1997 the company had annual commitments under non cancellable operating leases as follows:

	<u>Land and Buildings</u>		<u>Other</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Expiry date:				
Within one year	-	-	1506	2950
Between two and five years	-	-	-	-
In more than five years	12996	12996	-	-
	£12996	£12996	£1506	£2950