

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, 1978.

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

<u>Name of Director</u>	<u>No. of Shares</u>
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 hiring of motor vehicles.

The Turnover of the Company was £1,758,688 (1977 £1,052,935) representing Hire Charges relative to the year and no part of this was earned abroad.

Profits before Taxation were £472,071 from which there has been transferred to Taxation Equalisation Reserve £237,000 (Note 1) leaving a balance of £235,071 available for distribution. The Directors recommend that no dividend be paid and this balance be added to the balance brought forward of £592,572 giving £827,643 to be carried forward.

The Director retiring by rotation is Mr. W. Hunter who, being eligible, offers himself for re-election.

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the re-appointment of Messrs. John Gray and Company, Chartered Accountants, Lynton House, 13 Brown Street, Port Glasgow as Auditors of the Company will be put to the Annual General Meeting.

By Order of the Board



Secretary.

87 Bothwell Street,
GLASGOW.

8th May, 1979.

ARNOLD CLARK FINANCE LIMITED

Profit and Loss Account for the year ended 31st December, 1978

1977

<u>£630,878</u>	Trading Profit for the year before charging the following:-		£1,094,271
£258,266	Depreciation	£554,672	
14,289	Interest	146,537	
<u>2,650</u>	Auditors Remuneration	<u>2,650</u>	
£275,205		£703,859	
<u>224,726</u>	<u>Less: Gain on sale of Vehicles</u>	<u>81,659</u>	
<u>£ 50,479</u>			<u>622,200</u>
£580,399	<u>Net Profit before Taxation</u>		£ 472,071
	<u>U.K. Corporation Tax on Profits for Year</u> (Note 1)		
<u>302,000</u>	Transfer to Taxation Equalisation Reserve		<u>237,000</u>
£272,399	<u>Profit for Year after Taxation</u>		£ 235,071
314,173	<u>Balance brought forward</u>		592,572
<u>£592,572</u>	<u>Balance carried forward</u>		<u>£ 827,643</u>

ARNOLD CLARK FINANCE LIMITED

Balance Sheet as at 31st December, 1978

1977

£1,877,203 Fixed Assets - As per Appendix 1 £3,451,510

Current Assets

£ 42,610 Sundry Debtors (Note 3) £ 111,544

57,919 Cash in Bank and on Hand 695,730

£ 100,529

807,274

£1,977,732 TOTAL ASSETS

£4,258,784

Less: Current Liabilities

£ 63,088 Sundry Creditors (Note 2) £ 161,204

3,099 Directors Loan Account 1,599

17,571 Contract-Hire Instalments Paid in advance 41,681

155,480 Hire Purchase outstanding 1,738,461

300,000 Bank Overdraft (Note 4) 300,000

£ 539,238

2,242,945

£1,438,494 NET ASSETS

£2,015,839

Share Capital and Reserves

Share Capital

Authorised, Issued and Fully Paid

£ 15,000 15,000 Ordinary Shares of £1 each £ 15,000

Reserves

592,572 Profit and Loss Account 827,643

£ 607,572 £ 842,643

632,600 Taxation Equalisation Reserve 869,600

15,000 Loan - A. Clark's West End Motors Limited 15,000

183,322 Amount Due to Arnold Clark Automobiles Ltd 288,596

 Director

 Director

£1,438,494

£2,015,839

ARNOLD CLARK FINANCE LIMITED
Year ended 31st December, 1978
Appendix 1 and Notes on Accounts

Appendix 1

Fixed Assets

Motor Vehicles on Contract Hire and Hire Drive (Note 5)

	<u>Cost Price</u>	<u>Aggregate Depreciation</u>	<u>Written Down Value</u>
As at 31st December, 1977	£2,173,637	£296,434	£1,877,203
Purchased During Year	<u>3,272,383</u>	<u>-</u>	<u>3,272,383</u>
	£5,446,020	£296,434	£5,149,586
Sold During Year	<u>1,258,857</u>	<u>115,453</u>	<u>1,143,404</u>
	£4,187,163	£180,981	£4,006,182
Depreciation for Year	<u>-</u>	<u>554,672</u>	<u>554,672</u>
	<u>£4,187,163</u>	<u>£735,653</u>	<u>£3,451,510</u>

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 £31,891 (1977 £21,891) due to A. Clark's West End Motors Limited, £6,140 (1977 £3,502) due to Arnold Clark (Paisley) Limited and £6,229 (1977 £348) due to Arnold Clark (Bearsden) Limited.

Note 3 Sundry Debtors
1977

£ 2,202	Hire Purchase Instalments due but unpaid	£ 2,202
2,202	<u>Less: Provision for Bad Debts</u>	<u>2,202</u>
<u>£ -</u>		<u>£ -</u>
£51,434	Sundry Debtors and Prepaid Charges	£122,532
8,824	<u>Less: Provision for Bad Debts</u>	<u>10,988</u>
<u>£42,610</u>		<u>111,544</u>
<u>£42,610</u>		<u>£111,544</u>

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.

Note 5 Depreciation has been charged on vehicles placed on Contract Hire at a rate of 25% per annum on a reducing balance basis from the date of purchase of each vehicle.

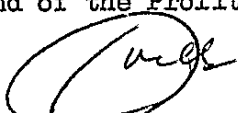
ARNOLD CLARK FINANCE LIMITED
Statement of Source and Application of Funds

1977

<u>Source of Funds</u>		
£ 580,399	Profit before Tax	£ 472,071
	Adjustment for items not involving the movement of Funds:-	
258,266	Depreciation	554,672
£ 838,665	<u>Total Generated from Operations</u>	£1,026,743
<u>Funds from Other Sources</u>		
785,196	Sales of Fixed Assets	1,143,404
£1,623,861		£2,170,147
<u>Application of Funds</u>		
1,994,451	Purchase of Fixed Assets	3,272,383
(£ 370,590)		(£1,102,236)
<u>Increase (Decrease) in Working Capital</u>		
(£ 5,013)	Increase/Decrease in Debtors	£ 58,934
(350,255)	Increase/Decrease in Cash and Bank Balances	637,811
(4,679)	Increase in Creditors	(98,116)
- ..	Decrease in Directors Loan Account	1,500
	Increase/Decrease in Contract Hire	
39,531	Instalments paid in Advance	(24,110)
(101,347)	Increase in Hire Purchase Creditor	(1,582,981)
	Increase/Decrease in amount owing to	
51,173	Holding Company	(105,274)
(£ 370,590)		(£1,102,236)

PORT GLASGOW - 8th May, 1979.

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, 1978 and of the Profit for the year ended on that date.


CHARTERED ACCOUNTANTS