

MOUNT GARAGE LIMITED

FINANCIAL STATEMENTS

31st DECEMBER, 1999

Registered number: 487715



LAMBERT, ROPER & HORSFIELD

CHARTERED ACCOUNTANTS

MOUNT GARAGE LIMITED
FINANCIAL STATEMENTS
for the year ended 31st December, 1999

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MOUNT GARAGE LIMITED**COMPANY INFORMATION****31st December, 1999**

INCORPORATED	27th October, 1950
REGISTERED NUMBER	487715
DIRECTORS	G. Windle S.A. Windle P.K. Windle
SECRETARY	S.A. Windle
REGISTERED OFFICE	31, Pellon New Road, Halifax, West Yorkshire, HX2 0EJ
BANKERS	Lloyds Bank Plc, 277, Gibbet Street, Halifax, West Yorkshire, HX1 4LP
AUDITORS	Lambert, Roper & Horsfield, Chartered Accountants, The Old Woolcombers Mill, 12/14, Union Street South, Halifax, West Yorkshire, HX1 2LE

MOUNT GARAGE LIMITED

DIRECTORS' REPORT

31st December, 1999

The directors present their report and the audited financial statements for the year ended 31st December, 1999.

Principal activity

The principal activity of the company continue to be those of automobile engineers and retailers of motor vehicles and accessories.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £871306.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. A preference dividend amounting to £112 was paid during the year. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the directors, there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 9.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st December, 1999		1st January, 1999	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares
G. Windle	2000	45	2000	45
S.A. Windle	-	849	-	849
P.K. Windle	-	5	-	5

In accordance with the Articles of Association, Mr. S. A. Windle retires by rotation and offers himself for re-election.

Auditors

Lambert, Roper & Horsfield, have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



S.A. Windle
Director

5th June, 2000

MOUNT GARAGE LIMITED**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 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.

On behalf of the board



5th June, 2000

S. A. Windle
Director

MOUNT GARAGE LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Mount Garage Limited**

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, 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 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 error or other irregularity. 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 31st December, 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lambert, Roper & Horsfield
Registered Auditors
Chartered Accountants

5th June, 2000

MOUNT GARAGE LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31st December, 1999

	Note	1999 £	1998 £
Turnover	2	7693935	6496471
Cost of sales		(6994230)	(5959688)
Gross profit		699705	536783
Net operating expenses			
Distribution costs		(130932)	(158646)
Administrative expenses		(457494)	(586884)
Other operating income		11456	11125
Operating profit/(loss)	3	122735	(197622)
Investment income	5	32762	38635
Interest payable	6	(31917)	(20358)
Profit/(loss) on ordinary activities before taxation		123580	(179345)
Taxation	7	(25230)	42420
Profit/(loss) on ordinary activities after taxation		98350	(136925)
Dividends (including non-equity interests)	8	(112)	(112)
Retained profit/(loss) for the year	19	98238	(137037)

Movements in reserves are shown in note 19.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1999 or 1998 other than the profit/(loss) for the year.

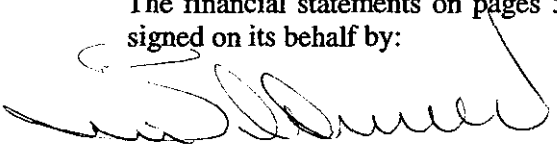
MOUNT GARAGE LIMITED

BALANCE SHEET

at 31st December, 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	9		282739		294507
Investments	11		100		100
			<hr/>		<hr/>
			282839		294607
Current assets					
Stocks	12	1071143		1051250	
Debtors	13	527183		558455	
Cash at bank and in hand		587902		260113	
			<hr/>	<hr/>	
			2186228	1869818	
Creditors: amounts falling due within one year	14	(1402825)		(1160561)	
			<hr/>	<hr/>	
Net current assets			783403	709257	
			<hr/>	<hr/>	
Total assets less current liabilities			1066242	1003864	
			<hr/>	<hr/>	
Creditors: amounts falling due after more than one year	15	(194936)		(230796)	
			<hr/>	<hr/>	
			871306	773068	
			<hr/>	<hr/>	
Capital and reserves					
Called up share capital	18		2899		2899
Profit and loss account	19		868407		770169
			<hr/>	<hr/>	
Total shareholders' funds	17		871306		773068
			<hr/>	<hr/>	

The financial statements on pages 5 to 18 were approved by the board of directors on 5th June, 2000 and signed on its behalf by:


S. A. Windle
Director

MOUNT GARAGE LIMITED

CASH FLOW STATEMENT

for the year ended 31st December, 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	20	337838	108538
Returns on investments and servicing of finance			
Interest received		32762	38635
Interest paid		(31917)	(20358)
Non-equity dividends paid		(112)	(112)
		<u>733</u>	<u>18165</u>
Taxation			
Corporation tax received/(paid)		42364	(44737)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(18527)	(2770)
Sale of tangible fixed assets		1241	-
		<u>(17286)</u>	<u>(2770)</u>
Increase in cash		<u><u>363649</u></u>	<u><u>79196</u></u>

MOUNT GARAGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December, 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements present information concerning only the parent company, Mount Garage Limited and not the group. The subsidiary company, Mount Garage (Bfd) Limited, has not been consolidated since the group is entitled to exemption from preparing group accounts under Section 248 of the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Freehold land	no depreciation
Freehold buildings	2% p.a. on cost
Garage, plant and machinery	25% p.a. on straight line basis
Motor vehicles	25% p.a. on straight line basis
Office equipment and fittings	25% p.a. on straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Motor vehicle consignment stocks are treated as an asset of the company on the balance sheet together with a corresponding liability to the manufacturer less any deposits paid.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December, 1999

3 Operating profit/(loss)

	1999	1998
	£	£
Operating profit/(loss) is stated after crediting:		
Rental of computer equipment	11456	11125
Profit on sale of assets	1241	-
	<u> </u>	<u> </u>
and after charging:		
Staff costs (note 4)	569925	702429
Auditors' remuneration	4500	4145
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 9):		
Owned assets	30295	31087
	<u> </u>	<u> </u>

MOUNT GARAGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December, 1999

4 Directors and employees

	1999 £	1998 £
Staff costs including directors' emoluments		
Wages and salaries	516454	639882
Social security costs	52625	61650
Pension costs	846	897
	<u>569925</u>	<u>702429</u>
Average monthly number employed including executive directors:	Number	Number
Production staff	14	14
Sales staff	5	8
Administration staff	5	7
	<u>24</u>	<u>29</u>
Directors	£	£
Emoluments	<u>256951</u>	<u>378092</u>
During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Defined benefit pension schemes	<u>2</u>	<u>2</u>
Highest paid director	£	£
Emoluments and amounts receivable under long term incentive schemes	226251	365492
Company contributions to a money purchase pension scheme	<u>-</u>	<u>-</u>

Defined contribution pension scheme

The company operates two defined contribution scheme. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £846 (1998 £897) including contributions in respect of employees. There were no outstanding or prepaid contribution payable to the fund at 31st December, 1999 (1998: Nil).

5 Investment income

	1999 £	1998 £
Interest receivable	<u>32762</u>	<u>38635</u>

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December, 1999

6 Interest payable

	1999	1998
	£	£
Bank interest	23	89
Loan interest	27275	21769
Other interest	6781	-
Stocking loan interest	(2162)	(1500)
	<u>31917</u>	<u>20358</u>

7 Taxation

	1999	1998
	£	£
Corporation tax on profit on ordinary activities at 20 & 21% (1998 24.1%)	25230	(42420)

8 Dividends

	1999	1998
	£	£
Dividends on non-equity preference shares	112	112
Total dividends paid and proposed	<u>112</u>	<u>112</u>

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS
31st December, 1999

9 Tangible fixed assets

	Motor vehicles £	Garage plant and machinery £	Office equipment £	Freehold land and buildings £	Total £
Cost					
1st January, 1999	8437	73575	130662	305000	517674
Additions	7500	3405	7622	-	18527
Disposals	(8437)	-	-	-	(8437)
31st December, 1999	<u>7500</u>	<u>76980</u>	<u>138284</u>	<u>305000</u>	<u>527764</u>
Depreciation					
1st January, 1999	8437	70338	109996	34396	223167
Charge for the year	1875	2703	21413	4304	30295
Disposals	(8437)	-	-	-	(8437)
31st December, 1999	<u>1875</u>	<u>73041</u>	<u>131409</u>	<u>38700</u>	<u>245025</u>
Net book amount					
31st December, 1999	<u>5625</u>	<u>3939</u>	<u>6875</u>	<u>266300</u>	<u>282739</u>
1st January, 1999	<u>-</u>	<u>3237</u>	<u>20666</u>	<u>270604</u>	<u>294507</u>

10 Land and buildings

	1999 £	1998 £
Freehold	<u>266300</u>	<u>270604</u>

The net book value of freehold land and buildings includes an amount of £90000 in respect of land which has not been depreciated.

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December, 1999

11 Fixed asset investments

	Investments other than loans £
Cost	
1st January, 1999	100
and at 31st December, 1999	<u>100</u>
Net book amount	
31st December, 1999	<u>100</u>
1st January, 1999	<u>100</u>

The company owns the whole of the issued ordinary share capital of Mount Garage (Bfd) Limited, a subsidiary company incorporated in England, whose principal activity is that of a motor vehicle trader and engineer.

The subsidiary has not been consolidated since the group qualifies as a medium sized group which is not required to prepare consolidated financial statements.

The following information has been extracted from the audited financial statements of Mount Garage (Bfd) Limited at 31st December, 1999:-

	1999 £	1998 £
Profit / (loss) for the period	<u>90542</u>	<u>21703</u>
Issued share capital	<u>100</u>	<u>100</u>
Surplus/(deficiency) to date	<u>79285</u>	<u>(11358)</u>

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December, 1999

12 Stocks

	1999 £	1998 £
Finished goods	<u>1071143</u>	<u>1051250</u>

In accordance with the accounting policy as set out on page 8, consignment stocks from vehicle manufacturers are treated in substance as an asset of the company.

	1999 £	1998 £
Value of consignment stocks included above	<u>31367</u>	<u>32394</u>

The following main terms apply to consignment stocks.

- a) The company has no right to return stock nor can the manufacturer compel the company to return or transfer stock without financial incentive.
- b) The stock transfer price charged by the manufacturer is based on manufacturer's price at date of delivery.
- c) The company has a right to use consignment stock in its business.

13 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	217840	218897
Amounts owed by group undertakings	265443	274661
Corporation tax recoverable	-	42420
Prepayments and accrued income	43900	22477
	<u>527183</u>	<u>558455</u>

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December, 1999

14 Creditors: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	261680	166152
Corporation tax	25202	-
Other taxation and social security	74829	27717
Other creditors – note 23	740108	544968
Accruals	301006	421724
	<u>1402825</u>	<u>1160561</u>

15 Creditors: amounts falling due after more than one year

	1999	1998
	£	£
Other liabilities		
Other loans – note 23	<u>194936</u>	<u>230796</u>
Maturity of debt		
In one year or less, or on demand - see note 14	-	-
In more than two years but not more than five years	17936	53796
In more than five years	177000	177000
	<u>194936</u>	<u>230796</u>
Amounts falling due after more than five years:		
Loan from Mount Garage Ltd Pension Plan	<u>177000</u>	<u>177000</u>

The annual interest rate on the loan from Mount Garage Ltd Pension Plan is calculated at 3% above base rate and its repayment date is 4th August, 2019.

MOUNT GARAGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December, 1999

16 Deferred taxation

No provision has been made for deferred taxation as the directors are of the opinion that there is no potential liability at 31st December, 1999 (1998: Nil).

17 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit/(loss) for the financial year	98350	(136925)
Dividends	(112)	(112)
Net addition to/(subtraction from) shareholders' funds	98238	(137037)
Opening shareholders' funds	773068	910107
Closing shareholders' funds	871306	773068

18 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1000	1000	1000	1000
5.6% preference shares of £1	2500	2500	2500	2500
	<u>3500</u>		<u>3500</u>	
Allotted, called up and fully paid				
Ordinary shares of £1 each	899	899	899	899
5.6% preference shares of £1	2000	2000	2000	2000
	<u>2899</u>		<u>2899</u>	

Rights of non-equity shares

The non-equity shares are preference shares which carry no voting rights. The cumulative preference dividend at the rate of 5.6% (net) per annum ranks in priority to any dividend declared on the ordinary shares. No date for redemption has been set.

In the event of the company being wound up, the holders of the preference shares are to be repaid at par together with any arrears of dividend in priority to any distribution to the ordinary shareholders.

MOUNT GARAGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December, 1999

19 Profit and loss account

	1999 £
1st January, 1999	770169
Retained profit for the year	98238
	<hr/>
31st December, 1999	868407
	<hr/>

20 Notes to the cash flow statement

Reconciliation of operating profit/(loss)
to operating cash flows

	1999 £	1998 £
Operating profit/(loss)	122735	(197622)
Depreciation charges	30295	31087
Profit on sale of fixed assets	(1241)	-
(Increase)/decrease in stocks	(19893)	59399
Increase in debtors	(11148)	(112417)
Increase in creditors	217090	328091
	<hr/>	<hr/>
Net cash inflow from operating activities	337838	108538
	<hr/>	<hr/>

21 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	260113	327789	587902
Debt due after 1 year	(230796)	35860	(194936)
	<hr/>	<hr/>	<hr/>
Total	29317	363649	392966
	<hr/>	<hr/>	<hr/>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Increase in cash in the year	363649	79196
Net debt at 1st January, 1999	29317	(49879)
	<hr/>	<hr/>
Net debt at 31st December, 1999	392966	29317
	<hr/>	<hr/>

MOUNT GARAGE LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December, 1999

22 Controlling party

The company and group is under the control of Mr. S. A. Windle who owns 94.4% of the issued ordinary shares.

23 Related party transactions

a) With the subsidiary:

During the year there were the following material transactions with Mount Garage (Bfd) Limited with the resulting balance outstanding at 31st December, 1999:

	Type of transaction	Amount	Balance due to Mount Garage Ltd.
i	Sales of service parts and accessories	£249122)	
ii	Sales of new and used vehicles	£76800)	£265443
iii	Net recharge to Bradford in respect of Administrative and other running costs	£38129)	
iv	Purchase of new and used vehicles	£47555)	

Parts and accessories are charged to the subsidiary at original cost plus 5%, all other items are charged at cost. Loan interest is charged on the working capital advanced at a rate of 3% over the banks base rate. These accounts include a credit of £17000 in respect of this.

There are no fixed repayment terms on this loan.

b) With the directors:

Included in other creditors at 31st December, 1999 were the following amounts which are owed to individuals who are directors of the company:

	£
S. A. Windle	542588
G. Windle	1871
P. K. Windle	<u>75649</u>
	620108

Additionally, £120000 was owed to a family trust in favour of the children of S. A and P. K. Windle.

c) With Mount Garage Ltd. Pension Plan

Creditors due over one year consisted of two separate loans from Mount Garage Ltd. Pension Plan totalling £194936. Loan interest is charged on these at a rate of 3% over the banks base rate. These accounts include a charge of £27275 in respect of this.