

Companies House

**SLOUGH MOTOR COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**30<sup>th</sup> November 2000**



LD3  
COMPANIES HOUSE  
COMPANIES HOUSE

\*LXW454VP\*

0473  
16/10/01

0364  
28/09/01

# **Slough Motor Company Limited**

## **Directors' report and financial statements**

| <b>Contents</b>                          | <b>Page</b> |
|--|-------------|
| Directors' report                        | 1           |
| Statement of directors' responsibilities | 2           |
| Auditors' report                         | 3           |
| Profit and loss account                  | 4           |
| Balance sheet                            | 5           |
| Cash flow statement                      | 6           |
| Notes                                    | 7 - 13      |

# **Slough Motor Company Limited**

## **Directors' report**

The directors present their report and the audited financial statements of the company for the year ended 30<sup>th</sup> November 2000

### ***Activities***

The main activities of the company are the sale, export, hire and maintenance of motor vehicles and ancillary services.

### ***Results***

These are detailed in the profit and loss account on page 4. The directors do not recommend the payment of a dividend.

### ***Significant changes in fixed assets***

Movements in fixed assets are set out in note 8.

### ***Directors***

The directors who held office during the year were:

M J Warnes  
L B Friedman  
C Redfern  
T F Bradbury

M J Warnes and L B Friedman are directors of the ultimate parent company, Bestodeck Limited, and their interests in the shares of the group companies are shown in that company's financial statements.

C Redfern and T F Bradbury hold no shares in group companies.

M J Warnes retires from the board and, being eligible, offers himself for re-election.

### ***Auditors***

Taylor's are willing to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

On behalf of the board



L B FRIEDMAN  
25<sup>th</sup> June 2001

Registered Office: 51 Queen Anne Street, London, W1G 9HS

## **Slough Motor Company Limited**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Slough Motor Company Limited**

**Auditors' report to the shareholders of Slough Motor Company Limited**

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

***Respective responsibilities of directors and auditors***

As described on page 2 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 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 30<sup>th</sup> November 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Taylor*

TAYLORS

*Chartered Accountants and Registered Auditors*

51 Queen Anne Street, London W1G 9HS

25<sup>th</sup> June 2001

# Slough Motor Company Limited

## Profit And Loss Account

for the year ended 30<sup>th</sup> November 2000

|   | Note | 2000<br>£  | 1999<br>£  |
|---|------|------------|------------|
| Turnover                                      | 1    | 36,727,958 | 44,933,036 |
| Cost of sales                                 |      | 29,624,600 | 36,372,242 |
| Gross profit                                  |      | 7,103,358  | 8,560,794  |
| Distribution and administrative expenses      | 2    | 6,959,436  | 8,251,868  |
|   |      | 143,922    | 308,926    |
| Other income                                  | 3    | 350        | 1,334      |
| Operating profit                              |      | 144,272    | 310,260    |
| Interest payable                              | 4    | 138,495    | 136,554    |
| Profit on ordinary activities before taxation | 5    | 5,777      | 173,706    |
| Taxation                                      | 6    | (15,000)   | (75,004)   |
| (Loss)/profit for the financial year          | 18   | (9,223)    | 98,702     |

## Recognised gains and losses

There are no recognised gains or losses other than the profit attributable to shareholders of the company.

All the activities of the company are classed as continuing.

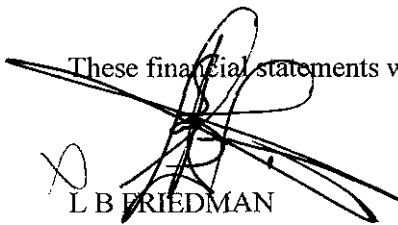
# Slough Motor Company Limited

## Balance Sheet

at 30<sup>th</sup> November 2000

|   | Note | £                | 2000<br>£        | 1999<br>£        |
|---|------|------------------|------------------|------------------|
| <b>Fixed assets</b>                             |      |                  |                  |                  |
| Tangible assets                                 | 8    |                  | 2,125,617        | 2,058,749        |
| <b>Current assets</b>                           |      |                  |                  |                  |
| Stock   | 1    | 4,254,050        |                  | 4,100,878        |
| Debtors   | 9    | 885,284          |                  | 1,089,347        |
| Cash at bank and in hand                        |      | 3,835            |                  | 2,675            |
|   |      | <u>5,143,169</u> |                  | <u>5,192,900</u> |
| <b>Creditors</b>                                |      |                  |                  |                  |
| Amounts falling due within one year             | 10   | 5,755,146        |                  | 5,681,808        |
| <b>Net current liabilities</b>                  |      |                  | (611,977)        | (488,908)        |
| <b>Total assets less current liabilities</b>    |      |                  | <u>1,513,640</u> | <u>1,569,841</u> |
| <b>Creditors</b>                                |      |                  |                  |                  |
| Amounts falling due after more than one year    | 11   | 236,945          |                  | 283,923          |
| Loan from parent company                        | 12   | 150,000          |                  | 150,000          |
|   |      | <u>(386,945)</u> |                  | <u>(433,923)</u> |
|   |      |                  | <u>1,126,695</u> | <u>1,135,918</u> |
| <b>Capital and reserves</b>                     |      |                  |                  |                  |
| Called up share capital                         | 14   |                  | 50,100           | 50,100           |
| Revaluation reserve                             | 15   |                  | 216,524          | 216,524          |
| Profit and loss account                         |      |                  | 860,071          | 869,294          |
| <b>Total shareholders' funds</b>                | 18   |                  | <u>1,126,695</u> | <u>1,135,918</u> |
| <b>Shareholders' funds are attributable to:</b> |      |                  |                  |                  |
| Non-equity shareholders' funds                  |      |                  | 100              | 100              |
| Equity shareholders' funds                      |      |                  | 1,126,595        | 1,135,818        |
|   |      |                  | <u>1,126,695</u> | <u>1,135,918</u> |

These financial statements were approved by the board of directors on 25<sup>th</sup> June 2001 and were signed on its behalf by:

  
L B FRIEDMAN  
Director

**Slough Motor Company Limited**

**Cash Flow Statement**

*for the year ended 30<sup>th</sup> November 2000*

|   | Note | £         | 2000<br>£   | £         | 1999<br>£   |
|---|------|-----------|-------------|-----------|-------------|
| <i>Net cash (outflow)/inflow from operating activities</i>                  | 16   |           | (230,058)   |           | 918,754     |
| <i>Returns on investment and servicing of finance</i>                       |      |           |             |           |             |
| Interest paid   | 4    | (138,495) |             | (136,554) |             |
|   |      |           |             |           |             |
| <i>Net cash outflow from returns on investment and servicing of finance</i> |      |           | (138,495)   |           | (136,554)   |
| <i>Taxation</i>   |      |           |             |           |             |
| Corporation tax paid  |      |           | (60,046)    |           | (31,561)    |
| <i>Capital expenditure</i>  |      |           |             |           |             |
| Payments to acquire fixed assets  |      | (372,455) |             | (454,232) |             |
| Proceeds of sale of fixed assets  |      | 500       |             | 245,761   |             |
|   |      |           |             |           |             |
|   |      |           | (371,955)   |           | (208,471)   |
| <i>Net cash (outflow)/inflow before financing</i>                           |      |           | (800,554)   |           | 542,168     |
| <i>Financing</i>  |      |           |             |           |             |
| Decrease in loans   | 17   |           | (21,515)    |           | (94,900)    |
|   |      |           |             |           |             |
| <i>(Decrease)/increase in cash</i>  | 17   |           | (822,069)   |           | 447,268     |
| <b>Reconciliation of net cash flow to movement in net debt</b>              |      |           |             |           |             |
| (Decrease)/increase in cash in the year                                     |      |           | (822,069)   |           | 447,268     |
| Cash outflow from decrease in debt  |      |           | 21,515      |           | 94,900      |
|   |      |           |             |           |             |
| Movement in net debt in the year  |      |           | (800,554)   |           | 542,168     |
| Net debt at start of year   |      |           | (763,597)   |           | (1,305,765) |
|   |      |           |             |           |             |
| Net debt at end of year   | 17   |           | (1,564,151) |           | (763,597)   |



# Slough Motor Company Limited

## Notes

*(forming part of the financial statements)*

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of properties.

#### *Comparatives*

The comparative figures are for the fourteen months ended 30<sup>th</sup> November 1999.

#### *Turnover*

This represents the value of goods sold, services provided and commissions receivable by the company, excluding value added tax.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|   |   |                                     |
|---|---|-------------------------------------|
| Fixtures, fittings, plant and equipment | - | 10% to 33 $\frac{1}{3}$ % per annum |
| Freehold property                       | - | 2% to 10% per annum                 |

#### *Stock*

Stock is valued at the lower of cost and net realisable value. Stock held on consignment is accounted for in the balance sheet only when title has passed to the company or when the commercial risk of obsolescence rests with the company.

#### *Leased assets*

Rental payments are written off in the period in which they are incurred.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

# Slough Motor Company Limited

## Notes (continued)

|  | 2000<br>£        | 1999<br>£        |
|--|------------------|------------------|
| <b>2. Distribution and administrative expenses</b>         |                  |                  |
| Distribution costs   | 4,525,842        | 5,454,568        |
| Administrative expenses                                    | 2,433,594        | 2,797,300        |
|  | <u>6,959,436</u> | <u>8,251,868</u> |
| <b>3. Other income</b>                                     |                  |                  |
| Interest   | <u>350</u>       | <u>1,334</u>     |
| <b>4. Interest payable</b>                                 |                  |                  |
| Bank overdraft   | 46,705           | 70,935           |
| Loans repayable within five years                          | 56,260           | 21,863           |
| Loans repayable wholly or partly in more than five years   | 35,530           | 43,756           |
|  | <u>138,495</u>   | <u>136,554</u>   |
| <b>5. (Loss)/profit on ordinary activities</b>             |                  |                  |
| This is stated after charging:                             |                  |                  |
| Auditors' remuneration                                     | 9,000            | 9,000            |
| Operating lease charges:                                   |                  |                  |
| Equipment  | 203              | 4,071            |
| Other  | 347,285          | 303,481          |
| Depreciation and amounts written off tangible fixed assets | <u>305,087</u>   | <u>224,399</u>   |
| <b>6. Taxation</b>   |                  |                  |
| Based on the profit for the year:                          |                  |                  |
| Corporation tax at 20% (1999 - 30%)                        | 15,000           | 73,500           |
| Adjustment in respect of prior years                       | -                | 1,504            |
|  | <u>15,000</u>    | <u>75,004</u>    |

Notes (continued)

|                                   | 2000<br>No. | 1999<br>No. |
|-----------------------------------|-------------|-------------|
| <b>7. Staff numbers and costs</b> |             |             |

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

|                |            |            |
|----------------|------------|------------|
| Production     | 42         | 36         |
| Distribution   | 64         | 113        |
| Administrative | 45         | 39         |
|                | <u>151</u> | <u>188</u> |

The aggregate payroll costs of these persons were as follows:

|                       |                  |                  |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,556,246        | 4,320,878        |
| Social security costs | 383,781          | 439,340          |
| Other pension costs   | 74,711           | 73,427           |
|                       | <u>4,014,738</u> | <u>4,833,645</u> |

**8. Tangible assets**

|                                 | Freehold<br>properties<br>£ | Fixtures,<br>fittings,<br>plant and<br>equipment<br>£ | Total<br>£       |
|---------------------------------|-----------------------------|---|------------------|
| <i><b>Cost or valuation</b></i> |                             |   |                  |
| At beginning of year            | 1,323,962                   | 1,928,945   | 3,252,907        |
| Additions                       | -                           | 372,455   | 372,455          |
| Disposals                       | -                           | (500)   | (500)            |
| At end of year                  | <u>1,323,962</u>            | <u>2,300,900</u>                                      | <u>3,624,862</u> |
| <i><b>Depreciation</b></i>      |                             |   |                  |
| At beginning of year            | 46,014                      | 1,148,144   | 1,194,158        |
| Provided this year              | 46,013                      | 259,074   | 305,087          |
| At end of year                  | <u>92,027</u>               | <u>1,407,218</u>                                      | <u>1,499,245</u> |
| <i><b>Net book values</b></i>   |                             |   |                  |
| 30 <sup>th</sup> November 2000  | <u>1,231,935</u>            | <u>893,682</u>  | <u>2,125,617</u> |
| 30 <sup>th</sup> November 1999  | <u>1,277,948</u>            | <u>780,801</u>  | <u>2,058,749</u> |

# Slough Motor Company Limited

## Notes (continued)

|  | 2000<br>£            | 1999<br>£            |
|--|----------------------|----------------------|
| <b>8. Tangible assets (continued)</b>                        |                      |                      |
| <i>Freehold properties comprise</i>                          |                      |                      |
| Cost   | 923,962              | 923,962              |
| Valuation - 1988   | 400,000              | 400,000              |
|  | <u>1,323,962</u>     | <u>1,323,962</u>     |
| <br>The historical cost of these properties was              | <br><u>1,107,438</u> | <br><u>1,107,438</u> |
| <br>All other tangible assets are stated at historical cost. |                      |                      |
| <b>9. Debtors</b>  |                      |                      |
| Trade debtors  | 850,347              | 1,025,585            |
| Other debtors  | 2,945                | 2,148                |
| Amounts owed by group undertakings                           | 15,190               | -                    |
| Prepayments and accrued income                               | 16,802               | 61,614               |
|  | <u>885,284</u>       | <u>1,089,347</u>     |
| <b>10. Creditors falling due within one year</b>             |                      |                      |
| Trade creditors  | 3,096,217            | 3,323,505            |
| Other creditors  | 148                  | 136                  |
| Social security and other taxes                              | 546,901              | 207,248              |
| Amounts owed to group undertakings                           | 68,291               | 684,086              |
| Accruals   | 684,346              | 912,041              |
| Bank overdraft (secured - see note 13)                       | 1,187,352            | 363,318              |
| Short term loans (secured - see note 13)                     | 58,989               | 33,526               |
| Long term loans (secured - see note 13)                      | 84,700               | 84,700               |
| Corporation tax  | 28,202               | 73,248               |
|  | <u>5,755,146</u>     | <u>5,681,808</u>     |
| <b>11. Creditors falling due after more than one year</b>    |                      |                      |
| Long term loans (secured - see note 13)                      | <u>236,945</u>       | <u>283,923</u>       |

# Slough Motor Company Limited

## Notes (continued)

### 12. Related party transactions

The company's ultimate parent company and controlling party is Bestodeck Limited, a company registered in England. The group has no ultimate controlling party.

The company has taken advantage of the exemptions provided by FRS 8 and has not reported transactions with other group companies.

The loan of £150,000 from Bestodeck Limited is, at present, free of interest.

|   | 2000<br>£        | 1999<br>£      |
|---|------------------|----------------|
| <b>13. Bank overdraft and loans</b>                       |                  |                |
| The aggregate amount of secured borrowings is as follows: |                  |                |
| Falling due within five years:                            |                  |                |
| Bank overdraft  | 1,187,352        | 363,318        |
| Short term loans  | 58,989           | 33,526         |
| Long term loans   | 251,178          | 290,881        |
|   | <u>1,497,519</u> | <u>687,725</u> |
| Falling due after more than five years:                   |                  |                |
| Long term loans   | <u>70,467</u>    | <u>77,742</u>  |

The bank overdraft and loans are secured by fixed and floating charges over the company's assets.

*The long term loans are repayable by monthly instalments as follows:*

|  | £            | £            |
|--|--------------|--------------|
| Interest variable with Finance House base rate | 1,958        | 1,958        |
| Inclusive of interest                          | <u>5,062</u> | <u>5,062</u> |
|  | 2000         | 1999         |
|  | £            | £            |

### 14. Share capital

#### *Authorised*

|                                |               |               |
|--------------------------------|---------------|---------------|
| 'A' ordinary shares of £1 each | 50,000        | 50,000        |
| 'B' ordinary shares of £1 each | 100           | 100           |
|                                | <u>50,100</u> | <u>50,100</u> |

#### *Allotted, issued and fully paid*

|                                |               |               |
|--------------------------------|---------------|---------------|
| 'A' ordinary shares of £1 each | 50,000        | 50,000        |
| 'B' ordinary shares of £1 each | 100           | 100           |
|                                | <u>50,100</u> | <u>50,100</u> |

# Slough Motor Company Limited

## Notes (continued)

|                                | 2000<br>£      | 1999<br>£      |
|--------------------------------|----------------|----------------|
| <b>15. Revaluation reserve</b> |                |                |
| At beginning and end of year   | <u>216,524</u> | <u>216,524</u> |

There is no present intention of disposing of the revalued properties; accordingly no provision has been made in these financial statements for taxation of £65,000 which would arise in the event of such a disposal.

## 16. Reconciliation of operating profit to net cash inflow from operating activities

|                                |                  |                |
|--------------------------------|------------------|----------------|
| Operating profit               | 144,272          | 310,260        |
| Depreciation charges           | 305,087          | 224,802        |
| Profit on sale of fixed assets | -                | (403)          |
| (Increase)/decrease in stock   | (153,172)        | 874,770        |
| Decrease/(increase) in debtors | 204,063          | (47,655)       |
| (Decrease) in creditors        | (730,308)        | (443,020)      |
|                                | <u>(230,058)</u> | <u>918,754</u> |

## 17. Analysis of net debt

|              | 1-December<br>1999 | Cashflow         | 30-November<br>2000 |
|--------------|--------------------|------------------|---------------------|
| Cash at bank | 2,675              | 1,160            | 3,835               |
| Overdrafts   | (364,123)          | (823,229)        | (1,187,352)         |
|              | <u>(361,448)</u>   | <u>(822,069)</u> | <u>(1,183,517)</u>  |
| Loans        | (402,149)          | 21,515           | (380,634)           |
|              | <u>(763,597)</u>   | <u>(800,554)</u> | <u>(1,564,151)</u>  |

## 18. Reconciliation of movements in shareholders' funds

|                                      | 2000<br>£        | 1999<br>£        |
|--------------------------------------|------------------|------------------|
| (Loss)/profit for the financial year | (9,223)          | 98,702           |
| Opening shareholders' funds          | <u>1,135,918</u> | <u>1,037,216</u> |
| Closing shareholders' funds          | <u>1,126,695</u> | <u>1,135,918</u> |

## 19. Contingent liability

The company is the representative member of a group registration for value added tax purposes and, accordingly, is jointly and severally liable for any such tax due by other group members.

## 20. Financial commitments

### *Pensions*

The parent company operates a group personal pension plan under which contributions are paid into individual policies. Contributions paid by the company are written off to the profit and loss account in the accounting period in which they are incurred.

### *Operating leases*

The company has annual commitments expiring as follows:

|                      | £                     | 2000<br>£ | £                     | 1999<br>£    |
|----------------------|-----------------------|-----------|-----------------------|--------------|
|                      | Land and<br>Buildings | Other     | Land and<br>Buildings | Other        |
| Within one year      | 26,000                | -         | 10,000                | 920          |
| In two to five years | 35,200                | -         | 65,000                | -            |
| After five years     | 318,952               | -         | 266,400               | 3,076        |
|                      | <u>380,152</u>        | <u>-</u>  | <u>341,400</u>        | <u>3,996</u> |

### *Other commitments*

|      |      |
|------|------|
| 2000 | 1999 |
| £    | £    |

The company has commitments to repurchase Motability vehicles as follows:

|                 |                |                |
|-----------------|----------------|----------------|
| Within one year | 195,306        | 118,502        |
| Thereafter      | 30,100         | 252,602        |
|                 | <u>225,406</u> | <u>371,104</u> |

## 21. Deferred taxation

The total potential liability, none of which has been provided in these financial statements, is as follows:

|                           |               |               |
|---------------------------|---------------|---------------|
| Revaluation of properties | <u>65,000</u> | <u>67,000</u> |
|---------------------------|---------------|---------------|