

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**



# **L.C.W. TRUCK AND VAN CENTRE LIMITED**

## **COMPANY INFORMATION**

DIRECTORS	R.A. Long B. Wynn A.M. Caygill Mrs. V. Long Mrs. S.M. Wynn Mrs. S.C. Caygill
SECRETARY	R.A. Long
COMPANY NUMBER	1469173
REGISTERED OFFICE	Boyes Garage, Halifax Road, Hipperholme, West Yorkshire.
AUDITORS	Clough & Company 15 - 17 Devonshire Street, Keighley, West Yorkshire.
BUSINESS ADDRESS	Boyes Garage, Halifax Road, Hipperholme, West Yorkshire.
BANKERS	Yorkshire Bank plc. 7 Waterhouse Street, Halifax, West Yorkshire.
SOLICITORS	Turner and Wall Arcade Chambers, North Street, Keighley, West Yorkshire.

# **L.C.W. TRUCK AND VAN CENTRE LIMITED**

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# **L.C.W. TRUCK AND VAN CENTRE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

The directors present their report and the accounts for the year ended 31 December 1997.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company was that of garage proprietors, commercial vehicle retailers and repairers.

The directors consider that the company has traded satisfactorily throughout the year and will continue to do so.

### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 4.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their interests in the company are as stated below:

	<b>Ordinary shares</b>	
	<b>1997</b>	<b>1996</b>
R.A. Long	500	500
B. Wynn	300	300
A.M. Caygill	200	200
Mrs. V. Long	-	-
Mrs. S.M. Wynn	-	-
Mrs. S.C. Caygill	-	-

### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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.

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

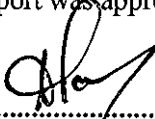
**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

**AUDITORS**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Clough & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on ..... and signed on its behalf by

  
.....

**R.A. Long**  
**SECRETARY**

**AUDITORS' REPORT TO L.C.W. TRUCK AND VAN CENTRE LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of L.C.W. Truck and Van Centre Limited for the year ended 31 December 1997, prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 1997, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



**CLOUGH & COMPANY**

**Chartered Accountants and  
Registered Auditor**

**15 - 17 Devonshire Street,  
Keighley,  
West Yorkshire.**

**12 May 1998**

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1997**

		<b>Continuing operations</b>	
		<b>1997</b>	<b>1996</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>GROSS PROFIT</b>		760,808	732,929
Administrative expenses		(589,479)	(582,341)
Other operating income		15,800	15,800
<b>OPERATING PROFIT</b>	<b>2</b>	187,129	166,388
Investment income	<b>3</b>	23	15
Interest receivable and similar income	<b>4</b>	-	42
Interest payable and similar charges	<b>5</b>	(76,018)	(103,507)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		111,134	62,938
Tax on profit on ordinary activities	<b>8</b>	(27,644)	(15,954)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		83,490	46,984
Dividends	<b>9</b>	(15,000)	-
<b>RETAINED PROFIT FOR THE YEAR</b>	<b>17</b>	68,490	46,984

There are no recognised gains or losses other than the profits for the above two financial years.

The notes on pages 7 to 16 form an integral part of these financial statements.

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 1997**

	Notes	1997		1996	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		730,713		723,464
Investments	11		303		303
			<u>731,016</u>		<u>723,767</u>
<b>CURRENT ASSETS</b>					
Stocks	12	1,127,708		1,071,757	
Debtors	13	1,424,776		1,411,995	
Cash at bank and in hand		5,516		2,188	
		<u>2,558,000</u>		<u>2,485,940</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	(2,219,185)		(2,208,116)	
<b>NET CURRENT ASSETS</b>			<u>338,815</u>		<u>277,824</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,069,831		1,001,591
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15		-		(250)
<b>NET ASSETS</b>			<u>1,069,831</u>		<u>1,001,341</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		1,000		1,000
Revaluation reserve	17		446,943		446,943
Profit and loss account	17		621,888		553,398
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18		<u>1,069,831</u>		<u>1,001,341</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 6th May 1998 and signed on its behalf by

X   
R.A. Long  
DIRECTOR

X   
B. Wynn  
DIRECTOR

X   
A.M. Caygill  
DIRECTOR

The notes on pages 7 to 16 form an integral part of these financial statements.

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 1997**

	Notes	1997 £	1996 £
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit		187,129	166,388
Depreciation and profits on disposals		7,845	4,746
(Increase)/decrease in stocks		(55,951)	604,695
(Increase) in debtors		(9,031)	(247,526)
(Decrease) in creditors		(228,605)	(331,544)
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(98,613)</u>	<u>196,759</u>

**CASH FLOW STATEMENT**

Net cash (outflow)/inflow from operating activities		(98,613)	196,759
Returns on investments and servicing of finance	20	(75,995)	(103,450)
Taxation		(17,433)	(14,433)
Capital expenditure	20	(15,094)	275,798
		<u>(207,135)</u>	<u>354,674</u>
Equity dividends paid		(15,000)	-
		<u>(222,135)</u>	<u>354,674</u>
Financing	20	-	(99,257)
<b>(Decrease)/increase in cash</b>		<u>(222,135)</u>	<u>255,417</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 21)**

<b>(Decrease)/increase in cash in the year</b>	(222,135)	255,417
Cash outflow from decrease in debt and lease financing	-	99,257
<b>Change in net debt</b>	<u>(222,135)</u>	<u>354,674</u>
<b>Net debt at 1 January 1997</b>	<u>(702,945)</u>	<u>(1,057,619)</u>
<b>Net debt at 31 December 1997</b>	<u>(925,080)</u>	<u>(702,945)</u>

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

**1. ACCOUNTING POLICIES**

The accounting policies for dealing with items judged material or critical in stating the results for the year and the financial position of the company are:

**1.1 ACCOUNTING CONVENTION**

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has consistently applied all relevant accounting standards.

**1.2 TURNOVER**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

**1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION**

No depreciation is provided on freehold property. It is the company's practice to maintain this asset in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the life of the asset is so long and the residual value, based on prices prevailing at the time of acquisition or subsequent valuation, are so high that its depreciation is insignificant. Any permanent diminution in the value of such property is charged to profit and loss account as appropriate.

Depreciation is provided on all other tangible fixed assets as follows:

Plant and machinery	-	15% per annum on written down value
Fixtures and fittings	-	15% per annum on cost
Motor vehicles	-	25% per annum on written down value

**1.4 LEASING AND HIRE PURCHASE COMMITMENTS**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account over the period of the commitment.

Rentals payable under operating leases are charged to profit and loss account as incurred.

**1.5 INVESTMENTS**

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

**1.6 STOCK AND WORK IN PROGRESS**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**1.7 PENSIONS**

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

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**1.8 DEFERRED TAXATION**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

<b>2. OPERATING PROFIT</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	7,845	14,902
Operating lease rentals	54,004	51,750
Auditors' remuneration	4,950	4,150
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	-	10,156
Rent receivable	15,800	15,800
	<u>          </u>	<u>          </u>
 <b>3. INCOME FROM INVESTMENTS</b>	 <b>1997</b>	 <b>1996</b>
	<b>£</b>	<b>£</b>
Income from listed investments	23	15
	<u>          </u>	<u>          </u>
 <b>4. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	 <b>1997</b>	 <b>1996</b>
	<b>£</b>	<b>£</b>
Bank interest	-	42
	<u>          </u>	<u>          </u>
 <b>5. INTEREST PAYABLE AND SIMILAR CHARGES</b>	 <b>1997</b>	 <b>1996</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	55,701	67,805
Hire purchase interest	-	573
On other loans	20,317	35,129
	<u>          </u>	<u>          </u>
	76,018	103,507
	<u>          </u>	<u>          </u>

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**6. EMPLOYEES**

**Number of employees**

The average monthly numbers of employees  
(including the directors) during the year were:

	1997	1996
Sales	5	5
Servicing and parts	20	21
Office and administration	5	4
Directors	6	6
	<u>36</u>	<u>36</u>

**Employment costs**

	1997 £	1996 £
Wages and salaries	687,886	647,505
Social security costs	65,112	62,534
Other pension costs	41,165	42,251
	<u>794,163</u>	<u>752,290</u>

**6.1 DIRECTORS' EMOLUMENTS**

	1997 £	1996 £
Remuneration and other emoluments	148,054	147,650
Pension contributions	38,621	39,660
	<u>186,675</u>	<u>187,310</u>

Number of directors to whom retirement benefits  
are accruing under a money purchase scheme

Number	Number
3	3

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**7. PENSION COSTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company, in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,165 (1996 - £42,251)

<b>8. TAXATION</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>UK current year taxation</b>		
UK Corporation Tax at 24% (1996 - 25%)	27,889	17,431
Transfer from deferred taxation	(250)	(1,480)
	<u>27,639</u>	<u>15,951</u>
 <b>Prior years</b>		
UK Corporation Tax	5	3
	<u>27,644</u>	<u>15,954</u>

<b>9. DIVIDENDS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Dividends on equity shares:</b>		
Ordinary shares - Interim paid	<u>15,000</u>	<u>-</u>

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**10. TANGIBLE ASSETS**

	<b>Freehold land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost/revaluation</b>					
At 1 January 1997	697,744	49,882	77,903	10,490	836,019
Additions	-	-	2,705	12,389	15,094
At 31 December 1997	<u>697,744</u>	<u>49,882</u>	<u>80,608</u>	<u>22,879</u>	<u>851,113</u>
<b>Depreciation</b>					
At 1 January 1997	-	42,567	65,399	4,589	112,555
Charge for the year	-	1,091	5,020	1,734	7,845
At 31 December 1997	<u>-</u>	<u>43,658</u>	<u>70,419</u>	<u>6,323</u>	<u>120,400</u>
<b>Net book values</b>					
At 31 December 1997	<u>697,744</u>	<u>6,224</u>	<u>10,189</u>	<u>16,556</u>	<u>730,713</u>
At 31 December 1996	<u>697,744</u>	<u>7,315</u>	<u>12,504</u>	<u>5,901</u>	<u>723,464</u>

The freehold land and buildings are included at valuation.

Historical cost:	<b>£</b>
At 31 December 1997	251,201
At 31 December 1996	251,201

The freehold property was revalued by independent Chartered Surveyors in 1989 at £680,000 on the basis of open market value for existing use.

If the land and buildings were sold at their valuation, a tax liability of approximately £100,000 would arise.

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**11. INVESTMENTS**

	<b>Listed Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January 1997 & At 31 December 1997	303	303
<b>Net book values</b>		
At 31 December 1997	303	303
At 31 December 1996	303	303

The market value of listed investments at the year end was £444 (1996 : £615).

**12. STOCKS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Consignment stock	653,898	614,592
Parts	203,996	295,402
Vehicles	249,729	159,754
Work in progress	20,085	2,009
	<u>1,127,708</u>	<u>1,071,757</u>

**13. DEBTORS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,007,954	1,034,310
Amount owed by related undertakings	394,697	345,345
Other debtors	7,980	26,201
Advance corporation tax recoverable	3,750	-
Prepayments and accrued income	10,395	6,139
	<u>1,424,776</u>	<u>1,411,995</u>

**L.C.W. TRUCK AND VAN CENTRE LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

<b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>1997 £</b>	<b>1996 £</b>
Bank overdraft	930,596	705,133
Trade creditors	1,145,124	1,332,941
Corporation tax	27,889	17,428
Advance corporation tax	3,750	-
Other taxes and social security costs	58,081	89,840
Accruals and deferred income	53,745	62,774
	<u>2,219,185</u>	<u>2,208,116</u>

The bank borrowings are secured by fixed charges on the company's freehold property and on properties owned by the directors, and by a debenture giving a fixed and floating charge over the assets and undertakings of the company.

Included in trade creditors is an amount due to MAN/VW Finance of £780,411 (1996 : £813,019) which is secured by way of a debenture on consignment stock and trade debtors.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is analysed over the following timing differences:

	Not provided		Provided	
	1997	1996	1997	1996
	£	£	£	£
Accelerated capital allowances	-	-	-	250
Surplus on revaluation of land and buildings	100,000	100,000	-	-
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>250</u>

Movements on the provision for deferred taxation are:

	1997	1996
	£	£
At 1 January 1997	250	1,730
Transferred to profit and loss account	(250)	(1,480)
At 31 December 1997	<u>-</u>	<u>250</u>

**16. SHARE CAPITAL**

	1997	1996
	£	£
<b>Authorised equity</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid equity</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**L.C.W. TRUCK AND VAN CENTRE LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**17. EQUITY RESERVES**

	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 January 1997	446,943	553,398	1,000,341
Retained profit for the year	-	68,490	68,490
At 31 December 1997	<u>446,943</u>	<u>621,888</u>	<u>1,068,831</u>

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1997 £	1996 £
Profit for the year	83,490	46,984
Dividends	(15,000)	-
	<u>68,490</u>	<u>46,984</u>
Opening shareholders' funds	1,001,341	954,357
	<u>1,069,831</u>	<u>1,001,341</u>

**19. CONTINGENT LIABILITIES**

The company has given an unlimited cross guarantee in respect of the bank borrowings of related companies, L.C.W. Truck and Van Centre (Lancs.) Limited, and L.C.W. Van Rentals Limited. The bank borrowings at 31 December 1997 amounted to:

	£
L.C.W. Truck and Van Centre (Lancs.) Limited	488,108
L.C.W. Van Rentals Limited	<u>407,985</u>

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997**

..... continued

**20. GROSS CASH FLOWS**

	1997 £	1996 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	-	42
Interest paid	(76,018)	(103,507)
Dividends received	23	15
	<u>(75,995)</u>	<u>(103,450)</u>
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible assets	(15,094)	(3,102)
Receipts from sales of tangible assets	-	278,900
	<u>(15,094)</u>	<u>275,798</u>
<b>FINANCING</b>		
Repayment of long term bank loans	-	(64,101)
Capital element of hire purchase contracts	-	(28,025)
Directors' loan accounts	-	(7,131)
	<u>-</u>	<u>(99,257)</u>

**21. ANALYSIS OF CHANGES IN NET DEBT**

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	2,188	3,328	5,516
Overdrafts	(705,133)	(225,463)	(930,596)
<b>Net debt</b>	<u>(702,945)</u>	<u>(222,135)</u>	<u>(925,080)</u>