

*Registered number 1611506*

**BESTODECK LIMITED**  
**FINANCIAL STATEMENTS**  
**30th September 1998**



# **BESTODECK LIMITED**

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

<b>Contents</b>	<b>Page</b>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Consolidated profit and loss account	4
Consolidated balance sheet	5
Balance sheet	6
Consolidated cash flow statement	7
Notes	8 - 18

## **Bestodeck Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements of the group for the year ended 30<sup>th</sup> September 1998.

#### **Activities**

The main activities of the group 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  
D S Olsen

The directors' interests in the share capital of group companies are as follows:

	Slough Motor Company Ltd			
	30 <sup>th</sup> September			
	1998		1997	
	Ordinary shares of £1 each			
	'A'	'B'	'A'	'B'
M J Warnes	3,750	10	3,750	10
L B Friedman	1,250	10	1,250	10

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

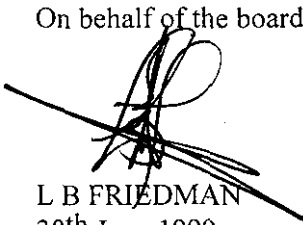
#### **Year 2000**

The group is working to address the problems generally referred to as "Year 2000". During the year the group commenced the replacement of the main dealer management system and continued a review of all hardware and software, to ascertain Year 2000 compliance.

#### **Auditors**

Taylors 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  
30<sup>th</sup> June 1999

Registered Office: 51 Queen Anne Street, London, W1M 0HS

## **Bestodeck 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 group 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 group 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 group 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 group and to prevent and detect fraud and other irregularities.

## **Bestodeck Limited**

### **Auditors' report to the shareholders of Bestodeck Limited**

We have audited the financial statements on pages 4 to 18 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 8.

#### ***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 group'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 affairs of the company and the group at 30<sup>th</sup> September 1998 and of the profit of the group for the year then ended and, in all other respects, have been properly prepared in accordance with the Companies Act 1985.



TAYLORS

*Chartered Accountants and Registered Auditors*

51 Queen Anne Street, London W1M 0HS

30<sup>th</sup> June 1999

**Bestodeck Limited****Consolidated Profit And Loss Account**  
*for the year ended 30<sup>th</sup> September 1998*

	<i>Note</i>	1998 £	1997 £
Turnover	<i>1</i>	88,944,452	81,168,496
Cost of sales		<u>74,485,156</u>	<u>68,719,159</u>
Gross profit		14,459,296	12,449,337
Distribution and administrative expenses	<i>2</i>	<u>13,206,944</u>	<u>11,399,871</u>
		1,252,352	1,049,466
Other income	<i>3</i>	<u>1,624</u>	<u>4,448</u>
Operating profit		1,253,976	1,053,914
Interest payable	<i>4</i>	<u>503,948</u>	<u>444,357</u>
Profit on ordinary activities before taxation	<i>5</i>	750,028	609,557
Taxation	<i>6</i>	<u>(273,391)</u>	<u>(128,488)</u>
Profit on ordinary activities after taxation		476,637	481,069
Minority interests		<u>11,725</u>	<u>2,607</u>
Profit for the financial year	<i>21</i>	<u><u>464,912</u></u>	<u><u>478,462</u></u>

**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 group are classed as continuing.

**Bestodeck Limited**
**Consolidated Balance Sheet**  
*at 30<sup>th</sup> September 1998*

	Note	£	1998 £	1997 £
<b>Fixed assets</b>				
Tangible assets	8		9,158,070	7,614,073
<b>Current assets</b>				
Stock	1	8,782,419		7,046,245
Debtors	10	2,151,134		2,199,317
Cash at bank and in hand		115,296		727,580
		<u>11,048,849</u>		<u>9,973,142</u>
<b>Creditors</b>				
Amounts falling due within one year	11	12,239,833		10,166,290
<b>Net current liabilities</b>			<u>(1,190,984)</u>	<u>(193,148)</u>
<b>Total assets less current liabilities</b>			<u>7,967,086</u>	<u>7,420,925</u>
<b>Creditors</b>				
Amounts falling due after more than one year	12		(2,836,595)	(2,767,071)
			<u>5,130,491</u>	<u>4,653,854</u>
<b>Capital and reserves</b>				
Called up share capital	14		100	100
Capital reserve			225,372	225,372
Revaluation reserve	15		850,517	850,517
Profit and loss account			<u>3,950,770</u>	<u>3,485,858</u>
<b>Equity shareholders' funds</b>	21		5,026,759	4,561,847
<b>Minority interests</b>			<u>103,732</u>	<u>92,007</u>
<b>Total shareholders' funds</b>			<u>5,130,491</u>	<u>4,653,854</u>

These financial statements were approved by the board of directors on 30<sup>th</sup> June 1999 and were signed on its behalf by:

  
**L B FRIEDMAN**  
*Director*

**Bestodeck Limited****Balance Sheet***at 30<sup>th</sup> September 1998*

	Note	£	1998 £	£	1997 £
<b>Fixed assets</b>					
Tangible assets	8		799,547		819,538
Investments	9		320,204		320,204
			<u>1,119,751</u>		<u>1,139,742</u>
<b>Current assets</b>					
Debtors	10	2,421,936		1,955,515	
Cash at bank		109,889		453,660	
		<u>2,531,825</u>		<u>2,409,175</u>	
<b>Creditors</b>					
Amounts falling due within one year	11	1,657,540		1,547,150	
				<u>1,547,150</u>	
<b>Net current assets</b>			874,285		862,025
<b>Total assets less current liabilities</b>			<u>1,994,036</u>		<u>2,001,767</u>
<b>Creditors</b>					
Amounts falling due after more than one year	12		(665,479)		(971,058)
			<u>1,328,557</u>		<u>1,030,709</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account			1,328,457		1,030,609
<b>Equity shareholders' funds</b>			<u>1,328,557</u>		<u>1,030,709</u>

These financial statements were approved by the board of directors on 30<sup>th</sup> June 1999 and were signed on its behalf by:



L B FRIEDMAN  
Director



**Bestodeck Limited**
**Consolidated Cash Flow Statement**
*for the year ended 30<sup>th</sup> September 1998*

	Note	£	1998 £	1997 £
<i>Net cash inflow from operating activities</i>	19		1,899,181	1,377,832
<i>Returns on investment and servicing of finance</i>				
Interest received		639		2,452
Interest paid		(503,948)		(444,357)
<i>Net cash outflow from returns on investment and servicing of finance</i>			(503,309)	(441,905)
<i>Taxation</i>				
Corporation tax paid			(170,304)	(174,691)
<i>Capital expenditure</i>				
Payments to acquire tangible fixed assets		(2,648,962)		(1,072,028)
Proceeds of sale of tangible fixed assets		532,372		778,926
<i>Net cash outflow from investing activities</i>			(2,116,590)	(293,102)
<i>Net cash (outflow)/inflow before financing</i>	20		(891,022)	468,134
<i>Financing</i>				
Loans	20	70,766		(291,051)
Hire purchase	20	-		(108,519)
<i>Net cash inflow/(outflow) from financing</i>			70,766	(399,570)
<i>(Decrease)/increase in cash and cash equivalents</i>	20		(820,256)	68,564
<b>Reconciliation of net cash flow to movement in net debt</b>				
(Decrease)/increase in cash in the year			(820,256)	68,564
Cash outflow from decrease in debt			(70,766)	399,570
Movement in net debt in the year			(891,022)	468,134
Net debt at start of year			(3,839,788)	(4,307,922)
Net debt at end of year	20		(4,730,810)	(3,839,788)

**Notes**

*(forming part of the financial statements)*

**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 as modified by the revaluation of properties.

***Basis of consolidation***

The group financial statements comprise a consolidation of the financial statements of the company and its subsidiary companies for the year ended 30<sup>th</sup> September 1998.

***Turnover***

This represents the value of goods sold, services provided and commissions receivable by the group, 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
Car hire vehicles	- 2% to 4% per month
Short leasehold property	- over the unexpired period of the lease
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 group or when the commercial risk of obsolescence rests with the group.

***Leased assets***

Rental payments are written off in the year 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.

**Bestodeck Limited****Notes (continued)**

	1998 £	1997 £
<b>2. Distribution and administrative expenses</b>		
Distribution costs	8,601,595	7,727,297
Administrative expenses	4,605,349	3,672,574
	<u>13,206,944</u>	<u>11,399,871</u>
<b>3. Other income</b>		
Interest	639	2,452
Rent	985	1,260
Other operating income	-	736
	<u>1,624</u>	<u>4,448</u>
<b>4. Interest payable</b>		
Bank overdrafts	134,145	144,405
Loans repayable within five years	154,505	136,687
Loans repayable wholly or partly in more than five years	215,298	163,265
	<u>503,948</u>	<u>444,357</u>
<b>5. Profit on ordinary activities</b>		
This is stated after charging		
Auditors' remuneration:		
Audit	30,000	30,000
Other	14,400	14,400
Operating lease charges:		
Equipment	12,082	23,534
Other	347,793	309,400
Depreciation and amounts written off tangible fixed assets	<u>572,593</u>	<u>320,408</u>

**Bestodeck Limited****Notes (continued)**

	1998 £	1997 £
<b>5. Profit on ordinary activities (continued)</b>		
<b>Remuneration of directors</b>		
<i>Directors' emoluments</i>		
Remuneration	359,000	323,000
Fees	1,000	1,000
Pension costs	92,609	75,794
	<u>          </u>	<u>          </u>
In respect of highest paid director:		
Emoluments	180,000	162,000
Money purchase pension contributions	46,377	37,927
	<u>          </u>	<u>          </u>
The number of directors accruing retirement benefits was 2 (1997 - 2).		
<b>6. Taxation</b>		
Taxation on the profit for the year:		
Corporation tax at 31% (1997 - 33%)	293,000	180,000
Adjustment in respect of prior years	(19,609)	(51,512)
	<u>          </u>	<u>          </u>
	273,391	128,488
	<u>          </u>	<u>          </u>
<b>7. Staff numbers and costs</b>		
The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:	No.	No.
Production	82	115
Distribution	246	197
Administrative	58	73
	<u>          </u>	<u>          </u>
	386	385
	<u>          </u>	<u>          </u>
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	7,507,328	6,500,294
Social security costs	744,811	618,533
Other pension costs	236,668	234,987
	<u>          </u>	<u>          </u>
	8,488,807	7,353,814
	<u>          </u>	<u>          </u>

## 8. Tangible assets

## Group

	Freehold properties £	Short leasehold properties £	Fixtures, fittings, plant and equipment £	Car hire vehicles £	Total £
<i>Cost or valuation</i>					
At beginning of year	5,926,926	471,198	2,639,798	674,876	9,712,798
Additions	1,629,581	-	493,504	525,877	2,648,962
Disposals	-	-	(1,000)	(590,183)	(591,183)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	<u>7,556,507</u>	<u>471,198</u>	<u>3,132,302</u>	<u>610,570</u>	<u>11,770,577</u>
<i>Depreciation</i>					
At beginning of year	-	179,852	1,888,438	30,435	2,098,725
Provided this year	176,391	16,640	279,253	100,374	572,658
Disposals	-	-	(65)	(58,811)	(58,876)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	<u>176,391</u>	<u>196,492</u>	<u>2,167,626</u>	<u>71,998</u>	<u>2,612,507</u>
<i>Net book values</i>					
30 <sup>th</sup> September 1998	<u>7,380,116</u>	<u>274,706</u>	<u>964,676</u>	<u>538,572</u>	<u>9,158,070</u>
30 <sup>th</sup> September 1997	<u>5,926,926</u>	<u>291,346</u>	<u>751,360</u>	<u>644,441</u>	<u>7,614,073</u>

# Bestodeck Limited

Notes (continued)

## 8. Tangible assets (continued)

Freehold properties comprise:

Cost	1998 £	1997 £
	5,638,907	4,009,326

Valuations:

1983	27,600	27,600
1988	1,890,000	1,890,000
	<u>7,556,507</u>	<u>5,926,926</u>

The historical cost of these properties was	<u>6,249,645</u>	<u>4,620,635</u>
---	------------------	------------------

The cost of freehold properties includes interest of £262,000 (1997 £262,000).

All other tangible assets are stated at historical cost.

## Company

	Freehold property £	Fixtures, fittings, plant and equipment £	Total £
<b>Cost</b>			
At beginning of year	779,663	76,217	855,880
Additions	571	13,505	14,076
	<u>780,234</u>	<u>89,722</u>	<u>869,956</u>
<b>Depreciation</b>			
At beginning of year	-	36,342	36,342
Provided this year	16,410	17,657	34,067
	<u>16,410</u>	<u>53,999</u>	<u>70,409</u>
<b>Net book values</b>			
30 <sup>th</sup> September 1998	<u>763,824</u>	<u>35,723</u>	<u>799,547</u>
30 <sup>th</sup> September 1997	<u>779,663</u>	<u>39,875</u>	<u>819,538</u>

**Bestodeck Limited****Notes (continued)**

	1998 £	1997 £
<b>9. Investments</b>		
<b>Company</b>		
Shares in subsidiary companies		
<b>Cost</b>		
At beginning and end of year	320,204	320,204

The subsidiary companies, all of which are registered in England, are as follows:

<i>Name</i>	<i>Shareholding %</i>	<i>Principal activity</i>
Slough Motor Company Limited	90	Garage proprietors
Swale Motors Limited	100	Garage proprietors
Swale Motors (Gravesend) Limited	100	Dormant
Swale Finance Limited	100	Dormant
Wessex Motor Company Limited	100	Garage proprietors

**10. Debtors**

	Group £	1998 Company £	Group £	1997 Company £
<i>Amounts falling due within one year</i>				
Trade debtors	2,080,432	3,792	2,011,316	10,116
Other debtors	3,231	-	6,125	502
Amounts owed by group undertakings	-	1,938,144	-	1,464,897
Prepayments and accrued income	67,471	-	181,876	-
	<u>2,151,134</u>	<u>1,941,936</u>	<u>2,199,317</u>	<u>1,475,515</u>
<i>Amounts falling due after more than one year</i>				
Amounts owed by group undertakings	-	480,000	-	480,000
	<u>2,151,134</u>	<u>2,421,936</u>	<u>2,199,317</u>	<u>1,955,515</u>

# Bestodeck Limited

## Notes (continued)

	Group	1998 Company	Group	1997 Company
	£	£	£	£
<b>11. Creditors falling due within one year</b>				
Trade creditors	6,572,376	35,811	5,275,224	31,473
Other creditors	841,338	385,508	667,662	286,357
Social security and other taxes	551,382	(9,271)	720,473	(9,804)
Amounts owed to group undertakings	-	699,706	-	841,607
Accruals	1,992,561	391,931	1,533,056	267,488
Bank overdrafts (secured - see note 13)	1,688,807	-	1,480,835	-
Short term loans (secured - see note 13)	29,609	-	50,734	-
Long term loans (secured - see note 13)	291,095	13,200	268,728	12,600
Corporation Tax	272,665	140,655	169,578	117,429
	<u>12,239,833</u>	<u>1,657,540</u>	<u>10,166,290</u>	<u>1,547,150</u>
<b>12. Creditors falling due after more than one year</b>				
Bank Loan	500,000	500,000	800,000	800,000
Shareholders' loans	90,480	90,480	90,480	90,480
Long term loans (secured - see note 13)	2,246,115	74,999	1,876,591	80,578
	<u>2,836,595</u>	<u>665,479</u>	<u>2,767,071</u>	<u>971,058</u>



**Bestodeck Limited****Notes (continued)**

	1998	1997
	£	£

**13. Bank overdrafts and loans****Group**

The aggregate amount of secured borrowings is as follows:

Falling due within five years:

Bank overdrafts	1,688,807	1,480,835
Short term loans	29,609	50,734
Long term loans	1,478,323	1,343,625
	<u>3,196,739</u>	<u>2,875,194</u>

Falling due after more than five years:

Long term loans	<u>1,058,887</u>	<u>801,694</u>
-----------------	------------------	----------------

The bank overdrafts and loans are secured by fixed and floating charges over certain of the group's assets.

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

	£	£
Monthly instalments		
Interest variable with Bank base rate	14,285	14,285
Interest variable with Finance House base rate	1,958	1,958
Inclusive of interest	6,112	6,112
Quarterly instalments		
Interest variable with Finance House base rate	<u>10,833</u>	<u>-</u>

**14. Share capital****Group and company****Authorised**

Ordinary shares of £1 each	<u>100</u>	<u>100</u>
----------------------------	------------	------------

**Allotted, issued and fully paid**

Ordinary shares of £1 each	<u>100</u>	<u>100</u>
----------------------------	------------	------------

# Bestodeck Limited

## Notes (continued)

	1998 £	1997 £
<b>15 Revaluation reserve</b>		
<b>Group</b>		
At beginning and end of year	<u>850,517</u>	<u>850,517</u>

There is no present intention of disposing of the remaining revalued properties; accordingly no provision has been made in these accounts of approximately £412,000 which could arise in the event of such a disposal.

## 16. Financial commitments

### *Pensions*

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

The company operates a separate pension scheme for certain directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Under the scheme there are specified target benefits based on the members' final pensionable earnings. Triennial actuarial valuations are undertaken in order to determine the contributions which would be required to fund these target benefits. However, the Rules of the Scheme limit the liability in respect of any member to whatever may be secured by contributions actually paid in respect of that member, together with investment income thereon. Furthermore, the company is not committed to pay the contribution rates disclosed by the actuarial valuation. The pension charge for the period has therefore been taken as the contribution paid to the Scheme.

### *Operating leases*

The group had annual commitments expiring as follows:

	1998 Land and buildings £	Other £	1997 Land and buildings £	Other £
Within one year	48,683	3,354	11,350	3,088
In two to five years	92,860	811	121,000	17,359
After five years	191,250	-	196,550	-
	<u>332,793</u>	<u>4,165</u>	<u>328,900</u>	<u>20,447</u>

	1998	1997
	£	£

**16. Financial commitments - continued**

*Other commitments*

The group has commitments to repurchase Motability vehicles as follows:

Within one year	545,111	535,510
Thereafter	1,522,770	1,304,532
	<u>2,067,881</u>	<u>1,840,042</u>

**17. Deferred taxation**

**Group**

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

Revaluation of properties	<u>412,000</u>	<u>442,000</u>
---------------------------	----------------	----------------

**18. Contingent liabilities**

The company has guaranteed certain liabilities of the subsidiary companies.

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

**19. Reconciliation of operating profit to net cash flow from operating activities**

Operating profit	1,252,352	1,049,466
Rent and other operating income	985	1,996
Depreciation and loss on sale of fixed assets	572,593	320,408
(Increase) in stock	(1,736,174)	(332,668)
(Increase)/Decrease in debtors	48,183	14,188
Increase in creditors	1,761,242	324,442
	<u>1,899,181</u>	<u>1,377,832</u>

# Bestodeck Limited

## Notes (continued)

### 20. Analysis of net debt

	1-October 1997	Cashflow	30-September 1998
Cash at bank	727,580	(612,284)	115,296
Overdrafts	(1,480,835)	(207,972)	(1,688,807)
	<u>(753,255)</u>	<u>(820,256)</u>	<u>(1,573,511)</u>
Bank loans	(2,996,053)	(70,766)	(3,066,819)
Shareholders loans	(90,480)	-	(90,480)
	<u>(3,839,788)</u>	<u>(891,022)</u>	<u>(4,730,810)</u>
Net Debt	<u>(3,839,788)</u>	<u>(891,022)</u>	<u>(4,730,810)</u>

### 21. Reconciliation of movements in shareholders' funds

#### Group

Profit for the financial year ( <i>see below</i> )	464,912	478,462
Opening shareholders' funds	4,561,847	4,083,385
Closing shareholders' funds	<u>5,026,759</u>	<u>4,561,847</u>

#### *Dealt with in the financial statements of:*

Company	297,848	273,482
Subsidiaries	167,064	204,980
	<u>464,912</u>	<u>478,462</u>

As permitted by Section 230 of the Companies Act 1985 the Profit and Loss Account of the parent company is not presented as part of these financial statements.

### 22. Related party transactions

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

Included within creditors at the year end is an amount due to Mr M J Warnes of £108,423.

The group has no ultimate controlling party.