

Registered Number: 532556

Charles H Allen Limited

Report for the year ended

31 December 1999



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Charles H Allen Limited

**Report for the year ended
31 December 1999**

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Charles H Allen Limited

Directors and advisers

Executive directors

P J Dunkley
D F Reilly
J E Yardley

Registered auditors

PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6NN

Secretary and registered office

D F Reilly
17 London Road
Romford
Essex
EM7 9QB

Solicitors

Travers Smith Braithwaite
10 Snow Hill
London
EC1A 2AL

Bankers

Barclays Bank plc
34 Market Square
Aylesbury
Buckinghamshire
HP20 1TT

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Directors' report for the year ended 31 December 1999

The directors present their report and the audited financial statements of Charles H Allen Limited for the year ended 31 December 1999.

Principal activity

The principal activity of the company in the year under review was that of a main dealer for Ford products.

Review of business and future developments

In light of the difficult trading conditions within the sector, particularly in the second half of the year, the directors are satisfied with the company's result for the year. The company will continue to trade in its present form for the foreseeable future.

Dividends and transfers to reserves

There is no proposed final dividend and there have been no distributions during the year.

The retained profit for the year of £1,002,000 (1998:£1,181,000) has been transferred to reserves.

Directors and directors interests

The current directors of the company, who have been in office for the whole year, are listed on page 1.

The interests of the directors of the company in the shares and loan stock of the holding company, Camden Motors (Holdings) Limited, at 31 December 1999 were:

	Ordinary Shares held by Camden Motors (Trustees) Unapproved pension scheme 31 December 1999	'A' Ordinary Shares of 1p each 31 December 1999	'A' 10% unsecured redeemable loan notes 31 December 1999
P J Dunkley	8,137	2,713	49,540
D F Reilly	4,025	4,025	36,755
J E Yardley	-	2,185	-

Mr J E Yardley holds a beneficial interest in £9,977 'A' 10% unsecured redeemable loan notes issued to his wife for a consideration of £9,977.

Other than shown above, no director had any interest in shares or loan stock of the company at 31 December 1999.

Year 2000

The company has experienced little disruption since the turn of the year arising from the impact of the Year 2000 issue on its computer systems.

Employment policy

The company maintains policies aimed at informing employees of, and involving them in matters relating to the company's activities and performance, as appropriate to their employment.

Employment of disabled persons

The company seeks applications for employment from disabled persons who can meet the requirements of the job and all necessary assistance with training is given. Where employees become disabled, the group makes strenuous efforts to continue to employ them.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

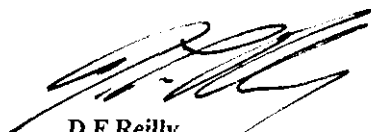
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors PricewaterhouseCoopers will be proposed at the Annual General Meeting

By order of the board



D F Reilly
Company Secretary
26 May 2000

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Auditors' report to the members of Charles H Allen Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
26 May 2000

Charles H Allen Limited

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**Profit and loss account
for the year ended 31 December 1999**

	Notes	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Turnover – continuing activities	1	112,290	111,755
Cost of sales		(109,914)	(109,177)
Gross profit		2,376	2,578
Net operating expenses	2	(2,333)	(2,199)
Other operating income		1,426	1,352
Operating profit – continuing activities		1,469	1,731
Interest payable and similar charges	5	-	(2)
Profit on ordinary activities before taxation	6	1,469	1,729
Tax on profit on ordinary activities	7	(467)	(548)
Profit for the financial year		1,002	1,181
Dividends	8	-	-
Retained profit for the year	15	1,002	1,181

The directors consider that there is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The company has no recognised gains and losses other than the profits above and, therefore, no separate statement of total recognised gains and losses has been presented.

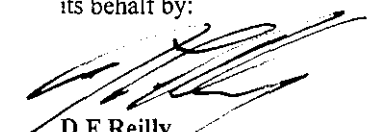
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Balance sheet at 31 December 1999

	Notes	1999 £000	1998 £000
Fixed assets			
Tangible assets	9	5,015	4,648
Current assets			
Stocks	10	4,159	4,868
Debtors	11	4,033	6,228
Cash at bank and in hand		-	-
		8,192	11,096
Creditors: amounts falling due within one year	12	(4,476)	(8,005)
Net current assets		3,716	3,091
Total assets less current liabilities		8,731	7,739
Provisions for liabilities and charges	13	(21)	(31)
Net assets		8,710	7,708
Capital and reserves			
Called up share capital	14	1,594	1,594
Share premium	15	526	526
Revaluation reserve	15	1,888	1,888
Capital redemption reserve	15	227	227
Profit and loss account	15	4,475	3,473
Total shareholders' funds	17	8,710	7,708
Equity shareholders' funds		8,084	7,082
Non Equity shareholders' funds		626	626
		8,710	7,708

The financial statements on pages 5 to 13 were approved by the board of directors on 26 May 2000 and were signed on its behalf by:


D F Reilly
Company Secretary

**Notes to the financial statements
for the year ended 31 December 1999****1 Principal accounting policies**

The financial statements cover the year ended 31 December 1999 and have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of fixed assets is the purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2% per annum
Plant and equipment	10% - 20% per annum
Computer equipment	20% - 33 1/3% per annum
Office equipment, furniture and fittings	20% per annum

Freehold land is not depreciated.

Leased assets

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are stated at the lower of invoiced cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively when the risks and rewards of ownership pass to the group. Obligations to repurchase vehicles previously sold under an agreement with Motability Finance are recorded as current assets and corresponding liabilities at the repurchase price.

Demonstrator vehicles are depreciated at 30% per annum on a straight line basis.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover consists entirely of sales made in the United Kingdom, in respect of the company's principal activity.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise. Full provision is made for deferred taxation on timing differences arising from the provision of employee pensions.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable are charged to the profit and loss account as incurred.

Related party transactions

Advantage has been taken of the exemption within FRS 8 (Related Party Transactions) not to disclose transactions between group companies.

Cash flow

The company is a wholly owned subsidiary of Camden Motors (Holdings) Limited and the cash flows of the company are included in the consolidated group cash flow statement of Camden Motors (Holdings) Limited. Accordingly the company is exempt under the terms of Financial Reporting Standard 1 (Revised 1997) from publishing a cash flow statement.

2 Net operating expenses

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Administration expenses	2,333	2,199

3 Directors emoluments

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Aggregate emoluments and benefits	144	101
Company pension contributions	15	14

Emoluments paid to the highest paid director as follows:

Aggregate emoluments and benefits	144	101
Company pension contributions	15	14

Directors emoluments are paid by Camden Motors (Holdings) Limited.

4 Employee information

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Wages and salaries	4,028	3,562
Social security	458	370
Pension costs	100	103
	4,586	4,035

The average monthly number of people employed during the year was as follows:

	Year ended 31 December 1999	Year ended 31 December 1998
Staff wholly employed in retail motor vehicle operations	231	245

5 Interest payable and similar charges

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Bank overdraft	-	2

6 Profit on ordinary activities before taxation

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Profit on ordinary activities before taxation is after charging:		
Depreciation – tangible owned fixed assets	260	223
Auditors remuneration	35	35

7 Tax on profit on ordinary activities

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
United Kingdom corporation tax at 30.25% (1998:31%)		
Current	477	558
Deferred	(10)	(10)
	467	548

8 Dividends

No dividends have been paid during the year or are proposed.

9 Tangible fixed assets

	Freehold Property £	Plant and Machinery £	Fixtures and Fittings £	Totals £
Cost or valuation				
As at 1 January 1999	4,146	450	1,194	5,790
Additions	358	25	244	627
Disposals	-	-	-	-
At 31 December 1999	4,504	475	1,438	6,417
Depreciation				
At 1 January 1999	38	365	739	1,142
Charge for the year	45	34	181	260
At 31 December 1999	83	399	920	1,402
Net book value at 31 December 1999	4,421	76	518	5,015
Net book value at 31 December 1998	4,108	85	455	4,648

Freehold land and buildings were valued on a current use basis by Edwin Hill Chartered Surveyors on 13 October 1997.

If land and buildings had not been revalued they would have been included at the following amounts:

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Cost	1,771	1,413
Aggregate depreciation based on cost	215	209
NBV based on cost	1,556	1,204

10 Stocks

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Motor vehicles	2,119	2,638
Parts, accessories and other stocks	675	488
Repurchase commitments	1,365	1,742
	4,159	4,868

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The company has obligations to repurchase vehicles previously sold under an agreement with Motability Finance after three years. The assets and corresponding liabilities have been recorded at the repurchase price.

The company has further vehicle consignment stock of approximately £12,291,210 (1998:£14,600,000) where the benefits and risks associated with the vehicles remain with the manufacturer – Ford Motor Company Limited – until transfer of title. Consequently this stock has not been recognised as an asset of the company in accordance with Financial Reporting Statement 5.

11 Debtors

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Amounts falling due within one year		
Trade debtors	3,348	2,273
Prepayments and accrued income	638	750
Other taxes and social security	47	3,205
	<hr/>	<hr/>
	4,033	6,228
	<hr/>	<hr/>

12 Creditors

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Amounts falling due within one year		
Bank loans and overdrafts	123	492
Trade creditors	707	625
Amount owed to group undertakings	1,830	4,537
Other taxes and social security	154	142
Corporation tax	71	314
Accruals and deferred income	226	153
Repurchase commitments	1,365	1,742
	<hr/>	<hr/>
	4,476	8,005
	<hr/>	<hr/>

13 Provision for liabilities and charges

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Deferred taxation		
At 1 January	31	41
Utilised in the year	-	-
Profit and loss account	(10)	(10)
	<hr/>	<hr/>
At 31 December	21	31
	<hr/>	<hr/>

Deferred tax provided in the financial statements is as follows:

	1999 £000	1998 £000
Tax effect of timing differences:		
Excess of tax allowances over depreciation	21	31

There were no unprovided amounts of deferred taxation.

14 Called up share capital

	Nominal Value	1999 £000	1998 £000
Authorised			
1,490,000 Ordinary shares	£1	1,490	1,490
10,000 Preference shares	£1	10	10
1,000,000 Non-cumulative 3.75% Preference	£1	1,000	1,000
		<u>2,500</u>	<u>2,500</u>
Allotted, issued and fully paid			
968,000 Ordinary shares	£1	968	968
626,400 Non-cumulative 3.75% Preference	£1	626	626
		<u>1,594</u>	<u>1,594</u>

The 3.75% Non-cumulative Preference Shares have priority over any other classes of shares for the payment of dividends and for the repayment of capital, to the amount of the capital paid in the event of winding up or any other repayment of capital. These shares have no right to further participation in the profits or the assets of the company and do not entitle the holders to receive notice of or attend or vote at any general meeting of the company.

15 Share premium account and other reserves

	Share Premium Account £	Revaluation Reserve £	Capital Redemption Reserve £	Profit and Loss Account £
At 1 January 1999	526	1,888	227	3,473
Retained profit for the year	-	-	-	1,002
	<u>526</u>	<u>1,888</u>	<u>227</u>	<u>4,475</u>

16 Pension commitments

The company operates a defined contribution scheme where the retirement benefits of certain employees are funded by contributions from the company. These contributions are paid to insurance companies and charged to the profit and loss account of the year in which they become payable. There were no amounts outstanding at 31 December 1999. The total pension cost for the year was £100,000 (1998: £103,000).

17 Reconciliation of movements in shareholders' funds

	Year ended 31 December 1999 £000	Year ended 31 December 1998 £000
Profit for the financial year	1,002	1,181
Opening shareholders' funds	7,708	6,527
Closing shareholders' funds	8,710	7,708

18 Contingent liabilities

General Motors Acceptance Corporation (UK) plc, Ford Credit Europe and Barclays Bank plc hold cross guarantees against Charles H Allen Limited and other Camden Motors (Holdings) Limited group companies, against mortgages, stocking loans and overdraft facilities.

19 Ultimate holding company

The ultimate parent company is Camden Motors (Holdings) Limited, a company incorporated in England and Wales. Copies of the parent company's consolidated financial statements may be obtained from:

Fitzroy House
69/79 Lake Street
Leighton Buzzard
Bedfordshire
LU7 8RZ