



Company Registration No. 271705

C GADSDON LIMITED

Report and Financial Statements

31 December 1994

**Touche Ross & Co.
Chartered Accountants
63 High Street
Crawley
West Sussex
RH10 1BQ**





REPORT AND FINANCIAL STATEMENTS - 1994

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C GADSDON LIMITED

COMPANY INFORMATION - 1994

DIRECTORS

B Voller
B G Voller
J W Voller
L C Collins

SECRETARY

B G Voller

REGISTERED OFFICE

63 High Street
Crawley
West Sussex
RH10 1BQ

BANKERS

National Westminster Bank plc
16 The Boulevard
Crawley
West Sussex

SOLICITORS

Tarran Jones & Co

Burstows

AUDITORS

Touche Ross & Co.
Chartered Accountants

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

ACTIVITIES

The principal activity of the company during the year was the retailing and maintenance of motor vehicles.

REVIEW OF DEVELOPMENTS

The directors are continuing to maximise revenues and also strictly control costs. It is anticipated that the results for 1995 will show a continued improvement over the previous years. The company's parent continues to provide support to the business by way of providing working capital.

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

The results for the year are shown on page 6. The directors do not recommend the payment of a dividend. The retained profit for the year, after taxation, amounting to £58,443 (1993 - £27,713) has been transferred to reserves.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 to the financial statements.

FUTURE PROSPECTS

The directors are optimistic about the long term prospects of the company.

DIRECTORS AND THEIR SHARE INTERESTS

The present membership of the Board is set out on page 1. All directors served throughout the year. None of the directors had a beneficial interest in the shares of the company. The directors' interest as defined by the Companies Act 1985, in the shares of the parent undertaking, Crawley Down Garage Limited, as at 1 January 1994 and 31 December 1994 were as follows:

	Ordinary shares of £1 each	
	31 December 1994 No.	1 January 1994 No.
B Voller	-	-
B G Voller	19,550	19,550
J W Voller	14,650	14,650
L C Collins	-	-
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DIRECTORS' REPORT (Continued)

MARKET VALUE OF LAND AND BUILDINGS

The directors consider that the market value of the land and buildings is in excess of book value, but do not consider that any attempt to quantify this excess would serve any useful purpose.

CLOSE COMPANY

The company is a close company for taxation purposes.

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


B G Voller

Secretary

26. 10. 1995

26 OCTOBER 1995

DIRECTORS' STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

By order of the Board



B G Voller

Secretary

26.10. 1995

26 OCTOBER 1995



Chartered Accountants

Touche Ross & Co.
63 High Street
Crawley
West Sussex RH10 1BQ

Telephone: National 0293 510112
International + 44 293 510112
Facsimile (Gp. 3): 0293 533493

AUDITORS' REPORT TO THE MEMBERS OF

C GADSDON LIMITED

We have audited the financial statements on pages 6 to 14 which have been prepared under the accounting policies set out on pages 8 and 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
and Registered Auditors

27 October 1995

27 OCTOBER 1995.



C GADSDON LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1994

	Note	1994 £	1993 £
TURNOVER	2	5,137,329	5,368,217
OPERATING PROFIT	3	111,647	77,960
Interest payable and similar charges	5	(26,142)	(30,997)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		85,505	46,963
Tax charge on profit on ordinary activities	6	(27,062)	(19,250)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		58,443	27,713
Profit and loss account, brought forward - deficit		(149,773)	(177,486)
Profit and loss account, carried forward - deficit		(91,330)	(149,773)

All turnover and operating profit derives from continuing activities.

There are no recognised gains or losses and movements in shareholders' funds for the current or preceding year other than as stated in the profit and loss account above.



C GADSDON LIMITED

BALANCE SHEET
31 December 1994

	Note	£	1994 £	£	1993 £
FIXED ASSETS					
Tangible assets	7		783,381		791,208
CURRENT ASSETS					
Stocks	8	404,211		495,920	
Debtors	9	293,643		234,849	
Cash at bank and in hand		740		740	
			<hr/>	<hr/>	
		698,594		731,509	
CREDITORS: amounts falling due within one year	10	(681,455)		(781,767)	
			<hr/>	<hr/>	
NET CURRENT ASSETS/(LIABILITIES)			17,139		(50,258)
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>	<hr/>	
			800,520		740,950
CREDITORS: amounts falling due after more than one year	11		(849,023)		(854,083)
PROVISIONS FOR LIABILITIES AND CHARGES	13		(34,827)		(28,640)
			<hr/>	<hr/>	
			(83,330)		(141,773)
CAPITAL AND RESERVES					
Called up share capital	14		8,000		8,000
Profit and loss account - deficit			(91,330)		(149,773)
			<hr/>	<hr/>	
TOTAL EQUITY SHAREHOLDERS' FUNDS - DEFICIT			(83,330)		(141,773)
			<hr/>	<hr/>	

These financial statements were approved by the Board of Directors on 26 October 1995 and signed on its behalf.

J W VOLLER
Director

B G VOLLER
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is not provided on freehold land. On other assets, depreciation is provided on cost over the estimated lives of the assets. The rates of depreciation are as follows:

Land and buildings

Freehold buildings	- 2% per annum straight line
Leasehold premises	- Straight line over the term of the lease

Plant and machinery

Plant and machinery	- 10% per annum reducing balance
Motor vehicles	- 25% per annum reducing balance
Computer equipment	- 25% per annum straight line

Hire purchase

Assets held under hire purchase contracts and the related repayment obligations are recorded in the balance sheet at the cost price of the assets at the inception of the contracts. Interest on hire purchase contracts has been apportioned over the duration of the contracts, the expired portion being charged against income. The unexpired portion of the interest has been deducted from future instalments due.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost of work in progress includes an appropriate proportion of overheads.

Deferred taxation

Deferred taxation is provided on timing differences arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Pension costs

Retirement benefits to certain employees of the company are provided by defined contribution schemes. The assets of these schemes are held separately from those of the company. The pension cost charge for the year represents contributions payable by the company for the year.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

1. ACCOUNTING POLICIES (continued)

Cash flow statement

A cash flow statement has not been included within these financial statements as the company is a subsidiary of Crawley Down Garage Limited which includes a consolidated cash flow statement in its group financial statements.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company. Turnover represents the invoiced value of goods supplied and work done during the year, excluding value added tax, and relates wholly to sales in the United Kingdom.

3. OPERATING PROFIT	1994	1993
	£	£
Turnover	5,137,329	5,368,217
Cost of sales	(4,754,926)	(5,053,624)
	<hr/>	<hr/>
Gross profit	382,403	314,593
Administrative expenses	(296,155)	(259,915)
Other operating income	25,399	23,282
	<hr/>	<hr/>
Operating profit	111,647	77,960
	<hr/>	<hr/>
The operating profit is stated after charging:	£	£
Depreciation of tangible fixed assets:		
Own assets	28,807	28,005
Assets held under hire purchase contracts	4,185	1,804
Auditors' remuneration	3,500	3,500
Directors' remuneration	408	408
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES	1994	1993
	£	£
Staff costs during the year:		
Wages and salaries	558,054	591,432
Social security costs	52,836	55,820
Pension costs	12,402	11,477
	<hr/>	<hr/>
	623,292	658,729
	<hr/>	<hr/>
Average number of persons employed:		
Office and management	16	15
Sales and maintenance	28	28
	<hr/>	<hr/>
	44	43
	<hr/>	<hr/>
Staff costs include the following in respect of directors:	£	£
Fees and salaries	408	408
	<hr/>	<hr/>

The emoluments paid by the company to the chairman and two other directors were £nil (1993 - £nil). Their emoluments were borne by the parent undertaking, Crawley Down Garage Limited, in the years ended 31 December 1994 and 1993. The remaining director received emoluments during the year of £408 (1993 - £408).

5. INTEREST PAYABLE AND SIMILAR CHARGES	1994	1993
	£	£
Bank loans, overdrafts and other loans repayable within five years	24,102	26,629
Finance charges - hire purchase contracts	1,178	3,139
Other interest payable	862	1,229
	<hr/>	<hr/>
	26,142	30,997
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Year ended 31 December 1994

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
United Kingdom corporation tax at 25% (1993 - 25%) based on the profit for the year	(20,875)	-
Deferred taxation	(6,187)	(19,250)
	<hr/>	<hr/>
	(27,062)	(19,250)
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The tax charge is high due to the non deductability of depreciation on assets not qualifying for capital allowances which is not compensated for by a movement in deferred taxation.

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 January 1994	692,740	724	321,695	7,777	1,022,936
Additions	-	-	10,165	15,000	25,165
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	692,740	724	331,860	22,777	1,048,101
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation					
At 1 January 1994	77,306	724	148,382	5,316	231,728
Charge for the year	8,184	-	20,457	4,351	32,992
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	85,490	724	168,839	9,667	264,720
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 1994	607,250	-	163,021	13,110	783,381
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1993	615,434	-	173,313	2,461	791,208
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of the company's fixed assets includes £22,303 (1993 - £16,238) in respect of assets held under hire purchase contracts.

Freehold land and buildings includes freehold land amounting to £283,544, which is not depreciated.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

8. STOCKS	1994	1993
	£	£
Goods held for resale:		
Parts and accessories	107,323	91,530
Vehicles	294,529	398,332
Work in progress	2,359	6,058
	<hr/>	<hr/>
	404,211	495,920
	<hr/>	<hr/>
9. DEBTORS	1994	1993
	£	£
Trade debtors	207,805	156,747
Amounts owed by parent undertaking	2,557	303
Amounts owed by fellow subsidiary undertaking	12,000	-
Prepayments	48,618	55,410
Other debtors	22,663	22,389
	<hr/>	<hr/>
	293,643	234,849
	<hr/>	<hr/>
All amounts fall due within one year.		
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1994	1993
	£	£
Bank overdraft - secured	272,935	412,614
Obligations under hire purchase contracts	9,809	5,757
Trade creditors	210,953	186,946
Amounts owed to parent undertaking	42,846	29,086
Amounts owed to fellow subsidiary undertaking	-	34,215
Other creditors	62,717	64,103
Corporation taxation	20,611	-
Other taxation and social security	58,377	45,839
Directors' loan accounts	3,207	3,207
	<hr/>	<hr/>
	681,455	781,767
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NOTES TO THE ACCOUNTS
Year ended 31 December 1994

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The bank overdraft is secured on the company's freehold and leasehold properties, and also by way of composite guarantee from its parent undertaking, fellow subsidiary undertaking and an affiliated company. This company has similarly guaranteed the overdrafts of these companies. The amounts owed by the group under this guarantee at 31 December 1994 amounted to £911,041

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1994 £	1993 £
Obligations under hire purchase contracts	4,023	9,083
Amounts owed to parent undertaking	845,000	745,000
Amounts owed to affiliated company	-	100,000
	<u>849,023</u>	<u>854,083</u>

The obligations under hire purchase contracts fall due within five years and are secured on the assets concerned. The directors of the parent undertaking have informed the company that the amounts owed to the parent undertaking are interest free and will not be repayable within the next twelve months, with no due dates for repayment for the foreseeable future. The directors have also been notified in writing that the parent company will continue to provide financial support to the company for at least the next twelve months.

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Amounts falling due:	1994 £	1993 £
In one year or less	9,809	5,757
Between one and two years	4,023	5,384
Between two and five years	-	3,699
	<u>13,832</u>	<u>14,840</u>

C GADSDON LIMITED

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 31 December 1994 £	Charged to profit and loss account £	Balance at 31 December 1993 £
Deferred taxation	34,827	6,187	28,640

The amounts of deferred taxation provided and unprovided in the accounts are:

	1994 £	Provided 1993 £	Unprovided 1994 £	Unprovided 1993 £
Accelerated capital allowances	34,827	33,954	-	-
Accrued income	-	349	-	-
Less: Losses carried forward	-	(5,663)	-	-
	<u>34,827</u>	<u>28,640</u>	<u>-</u>	<u>-</u>

14. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised, allotted and fully paid: 8,000 ordinary shares of £1 each	8,000	8,000

**15. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND
STATEMENT OF MOVEMENTS ON RESERVES**

	Issued Share capital	Profit and loss account	Total 1994	Total 1993
At 1 January 1994	8,000	(149,773)	(141,773)	(169,486)
Profit attributable to members of the company	-	58,443	58,443	27,713
At 31 December 1994	<u>8,000</u>	<u>(91,330)</u>	<u>(83,330)</u>	<u>(141,773)</u>

16. PARENT UNDERTAKING

The parent undertaking is Crawley Down Garage Limited, a company which operates in the United Kingdom and which is incorporated in England and Wales. Copies of the parent undertaking's accounts are available from Companies House, Crown Way, Maindy, Cardiff, Wales, CF4 3UZ.

17. AFFILIATED COMPANY

The affiliated company is a company connected with C Gadsdon Limited through common directors.