

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu



Company Registration No. 636090

**CRAWLEY DOWN GROUP LIMITED**

**Report and Financial Statements**

**31 December 1998**



Deloitte & Touche  
63 High Street  
Crawley  
West Sussex  
RH10 1BQ



**CRAWLEY DOWN GROUP LIMITED**

**REPORT AND FINANCIAL STATEMENTS - 1998**

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**COMPANY INFORMATION - 1998**

**DIRECTORS**

B Voller  
B G Voller  
J W Voller  
T D Giles

**SECRETARY**

B G Voller

**REGISTERED OFFICE**

63 High Street  
Crawley  
West Sussex  
RH10 1BQ

**BANKERS**

National Westminster Bank plc

**SOLICITORS**

Tarran Jones & Co.  
Paul Davidson Taylor

**AUDITORS**

Deloitte & Touche  
Chartered Accountants

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

### **ACTIVITIES**

The principal activities of the group are the retailing and maintenance of motor vehicles and the provision of car parking facilities.

### **REVIEW OF BUSINESS AND FUTURE PROSPECTS**

1998 saw the continued consolidation of the company's position despite difficult trading conditions.

The performance of Rover Cars Limited caused the directors concern but with BMW's intervention, they are confident that the Rover product will regain its position in the market place and that this Franchise will prove to be a long term asset.

### **RESULTS AND DIVIDENDS**

The results for the year are shown on page 7. The directors do not recommend the payment of a dividend.

### **FIXED ASSETS**

The changes in fixed assets are disclosed in notes 8 and 9 to the accounts.

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

### **DIRECTORS AND THEIR SHARE INTERESTS**

The present directors are shown on page 1. All directors served throughout the year.

The directors' beneficial interests in the shares of the company at 1 January 1998 and 31 December 1998 were as follows:

	Ordinary shares of £1 each	
	31 December 1998	1 January 1998
	No.	No.
B Voller	-	-
B G Voller	19,550	19,550
J W Voller	14,650	14,650
T D Giles	-	-
	<hr/>	<hr/>

## DIRECTORS' REPORT (Continued)

### YEAR 2000

The directors are fully aware of the implications of the Year 2000 with respect to its systems and are satisfied that the necessary steps have been taken to safeguard the interests of the group. There are no significant cost implications.

### AUDITORS

Deloitte & Touche 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

..... 1999

## **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 and the group as at the end of the financial year and of the profit or loss of the group 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;
- 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, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## AUDITORS' REPORT TO THE MEMBERS OF CRAWLEY DOWN GROUP LIMITED

We have audited the financial statements on pages 7 to 24 which have been prepared under the accounting policies set out on pages 12 and 13.

### 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 circumstances of the company and the group, 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.

### QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

During previous years, the group and company received a total capital grant of £300,000 for the development of a new forecourt. The group and company have accounted for the grant receivable by deducting it from the relevant expenditure on long leasehold premises which were the subject of the grant. Details of the directors' reasons for adopting this treatment are given in note 8 to the accounts.

In our opinion the treatment shown by the financial statements is not in accordance with Paragraph 17 of Schedule 4 of the Companies Act 1985 which requires that the amount to be included in the balance sheet in respect to any fixed asset shall be its purchase price or production cost. Given this requirement the amount of the grant should be treated as deferred grant income in the balance sheet and credited to the profit and loss account by instalments over the expected useful economic life of the related asset, on a basis consistent with the depreciation policy. If this treatment were to be adopted as at 31 December 1998, the financial statements of the group and company would include, within creditors, "Deferred capital grants" totalling £218,700 (1997 - £243,000), £21,870 (1997 - £24,300) being disclosed as due within one year. Tangible fixed assets would have a net book value at 31 December 1998 of £4,030,456 (1997 - £3,294,769) for the group and £2,538,824 (1997 - £2,071,800) for the company. The group profit for the year would have been £18,300 (1997 - £21,000) higher.

(continued)



**AUDITORS' REPORT TO THE MEMBERS OF  
CRAWLEY DOWN GROUP LIMITED (continued)**

**QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING  
TREATMENT (continued)**

Except for the foregoing, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte . Touche*

Chartered Accountants  
and Registered Auditors

*29 April 1999*




**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1998**

	Note	1998 £	1997 £
TURNOVER	2	34,050,109	27,510,230
OPERATING PROFIT	3	717,282	754,973
Profit on sale of fixed assets		64,903	-
Interest payable and similar charges	5	(78,117)	(140,337)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	704,068	614,636
Tax on profit on ordinary activities	6	(217,263)	(181,848)
PROFIT RETAINED FOR THE YEAR	7	486,805	432,788

All turnover and operating profit derives from continuing activities.

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

**STATEMENT OF MOVEMENTS ON RESERVES**  
**Year ended 31 December 1998**

	Profit and loss account £
<b>THE GROUP</b>	
Balance at 1 January 1998	1,819,057
Profit retained for the year	486,805
Balance at 31 December 1998	2,305,862
<b>THE COMPANY</b>	
Balance at 1 January 1998	1,101,291
Profit retained for the year	168,445
Balance at 31 December 1998	1,269,736



**CRAWLEY DOWN GROUP LIMITED**

**CONSOLIDATED BALANCE SHEET  
31 December 1998**

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible assets	8		3,811,756		3,051,769
<b>CURRENT ASSETS</b>					
Stocks	10	2,995,261		2,683,623	
Debtors	11	1,592,512		1,176,165	
Cash at bank and in hand		245,414		422,989	
			<u>4,833,187</u>	<u>4,282,777</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	5,017,217		4,580,547	
<b>NET CURRENT LIABILITIES</b>			<u>(184,030)</u>	<u>(297,770)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,627,726</u>	<u>2,753,999</u>	
<b>CREDITORS: amounts falling due after more than one year</b>	13	(1,164,356)		(743,794)	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	(111,508)		(145,148)	
<b>NET ASSETS</b>			<u>2,351,862</u>	<u>1,865,057</u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17	46,000		46,000	
Profit and loss account		2,305,862		1,819,057	
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>2,351,862</u>	<u>1,865,057</u>	

These financial statements were approved by the Board of Directors on *29<sup>th</sup> April* 1999.  
and signed on its behalf by:

*B G Voller*

B G Voller  
Director

*J W Voller*

J W Voller  
Director



**CRAWLEY DOWN GROUP LIMITED**

**COMPANY BALANCE SHEET**

**31 December 1998**

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible assets	8	2,320,124		1,828,800	
Investments	9	825,000		825,000	
			<u>3,145,124</u>		<u>2,653,800</u>
<b>CURRENT ASSETS</b>					
Stocks	10	2,187,240		1,819,223	
Debtors	11	991,268		797,092	
Cash at bank and in hand		134,666		294,538	
			<u>3,313,174</u>		<u>2,910,853</u>
<b>CREDITORS: amounts falling due within one year</b>	12	3,469,232		3,152,153	
<b>NET CURRENT LIABILITIES</b>			(156,058)		(241,300)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,989,066</u>		<u>2,412,500</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13		(1,616,022)		(1,182,573)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16		(57,308)		(82,636)
<b>NET ASSETS</b>			<u>1,315,736</u>		<u>1,147,291</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		46,000		46,000
Profit and loss account			1,269,736		1,101,291
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>1,315,736</u>		<u>1,147,291</u>

These financial statements were approved by the Board of Directors on 29th April 1999.  
and signed on its behalf by:

  
B G Voller  
Director

  
J W Voller  
Director


**CRAWLEY DOWN GROUP LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT**

Year ended 31 December 1998

	Note	1998	1997
		£	£
<b>NET CASH INFLOW FROM</b>			
<b>OPERATING ACTIVITIES</b>	1	748,484	739,224
<b>RETURNS ON INVESTMENTS AND SERVICING</b>			
<b>OF FINANCE</b>			
Interest paid	(86,077)	(138,290)	
Interest element of finance lease rentals	(4,800)	(7,131)	
		<u>(90,877)</u>	<u>(145,421)</u>
<b>TAXATION</b>			
UK corporation tax paid	(155,771)	(120,138)	
		<u>(155,771)</u>	<u>(120,138)</u>
<b>CAPITAL EXPENDITURE</b>			
Purchase of tangible fixed assets	(1,517,910)	(129,814)	
Sale of tangible fixed assets	459,873	23,855	
		<u>(1,058,037)</u>	<u>(105,959)</u>
<b>Net cash (outflow) / inflow before financing</b>		<u>(556,201)</u>	<u>367,706</u>
<b>FINANCING</b>			
Capital element of finance lease rentals	(16,241)	(22,596)	
Debt due beyond a year:			
repayment of bank loans	(96,776)	(108,768)	
new secured loan	400,000	-	
		<u>286,983</u>	<u>(131,364)</u>
<b>Net cash inflow / (outflow) from financing</b>	3	286,983	(131,364)
<b>(DECREASE) / INCREASE IN CASH</b>	2	<u>(269,218)</u>	<u>236,342</u>


**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**

Year ended 31 December 1998

**1. RECONCILIATION OF CONSOLIDATED OPERATING PROFIT  
TO GROUP NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Operating profit	717,282	754,973
Depreciation	362,953	263,297
(Profit)/loss on sale of fixed assets	-	(1,384)
Increase in stocks	(311,638)	(56,901)
Increase in debtors	(416,348)	(50,060)
Increase/(decrease) in creditors	429,875	(170,701)
Decrease in provisions	(33,640)	-
Net cash inflow from operating activities	<u>748,484</u>	<u>739,224</u>

**2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET FUNDS**

	£	£
(Decrease)/increase in cash in year	(269,218)	236,342
Repayment of loans	96,776	108,768
Repayment of capital element of finance leases	16,241	22,596
New loan	(400,000)	-
Change in net debt (note 3)	<u>(556,201)</u>	<u>367,706</u>
Net debt at 1 January 1998	<u>(1,953,486)</u>	<u>(2,321,192)</u>
Net debt at 31 December 1998	<u>(2,509,687)</u>	<u>(1,953,486)</u>

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

	1 January 1998 £	Cash flows £	31 December 1998 £
Cash at bank	422,989	(177,575)	245,414
Bank overdraft	(1,420,850)	(91,643)	(1,512,493)
	<u>(997,861)</u>	<u>(269,218)</u>	<u>(1,267,079)</u>
Loans	(931,870)	(303,224)	(1,235,094)
Obligations under hire purchase contracts	(23,755)	16,241	(7,514)
	<u>(1,953,486)</u>	<u>(556,201)</u>	<u>(2,509,687)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998****1. ACCOUNTING POLICIES**

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

**Accounting convention and going concern basis**

The financial statements are prepared under the historical cost convention and on the going concern basis. The directors consider that the going concern basis is appropriate to the preparation of the accounts because they are satisfied that, since the year end, the group has continued to trade profitably and sufficient financial resources have been secured to enable the group to meet its financial obligations, as they fall due, for the foreseeable future.

**Tangible fixed assets**

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

Freehold property	2% per annum straight line
Leasehold property	Over the duration of lease
Leasehold improvements	10% per annum reducing balance
Computer equipment	33% per annum straight line
Motor vehicles (excluding coaches)	25% per annum reducing balance
Coaches	15% per annum reducing balance
Plant and machinery	10% - 15% per annum reducing balance

The depreciation rate for computer equipment was changed during the year from 25% per annum reducing balance to 33% per annum straight line. The directors consider that this is now a more appropriate basis. The depreciation charge would have been £62,558 lower if the old basis had continued to be used.

**Stocks**

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

In respect of consignment stocks, the accounting practices laid out in The Financial Reporting Standard No 5 ("FRS 5") entitled "Reporting the Substance of Transactions" have been adopted. This means that consignment stocks meeting the criteria of FRS 5 have been included on the balance sheet and a corresponding liability to the manufacturer recognised. Any deposits paid have been deducted from the liability.

**Hire purchase contracts**

Assets held under hire purchase contracts and the related hire purchase obligations are recorded in the balance sheet at cost price. The excess of the hire purchase instalments over the recorded obligations represent finance charges and are charged to the profit and loss account over the period of the contracts.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**1. ACCOUNTING POLICIES (continued)**

**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.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and all subsidiary undertakings for the financial year ended 31 December 1998.

**Pension costs**

Retirement benefits to employees of the group are provided by three defined contribution pension schemes. The assets of these schemes are held separately from those of the group. The pension cost charges represent contributions payable by the group to the schemes and amounted to £103,792 (1997 : £99,453).

**Investments**

Investments held as fixed assets are stated at cost less provision for an impairment in value.

**Grants towards capital expenditure**

Grants received as contributions towards capital expenditure are set off against the cost of the related asset (see note 8).

**2. TURNOVER**

Analyses by class of business of turnover and profit on ordinary activities before taxation are stated below:

Class of Business	Turnover		Profit on ordinary activities before taxation	
	1998 £	1997 £	1998 £	1997 £
Retailing and maintenance of motor vehicles	30,833,237	24,917,192	396,362	403,686
Provision of car parking facilities	3,216,882	2,593,038	307,706	210,950
	<u>34,050,109</u>	<u>27,510,230</u>	<u>704,068</u>	<u>614,636</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**2. TURNOVER (continued)**

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

<b>3. OPERATING PROFIT</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Turnover	34,050,109	27,510,230
Cost of sales	(31,144,427)	(24,698,628)
Gross profit	2,905,682	2,811,602
Administrative expenses	(2,418,753)	(2,119,011)
Other operating income	230,353	62,382
Operating profit	717,282	754,973
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets		
Own assets	356,810	232,391
Assets held under hire purchase contracts	6,143	30,907
Auditors' remuneration		
Audit fees	17,510	17,000
Other services	15,600	9,100
Profit on disposal of tangible fixed assets	-	(1,384)
Rent charged by related parties (see note 22)	62,300	62,300




**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1998 £	1997 £
<b>Staff costs:</b>		
Wages and salaries	3,408,799	3,282,779
Social security costs	320,823	308,068
Other pension costs	103,792	99,453
	<u>3,833,414</u>	<u>3,690,300</u>
	No.	No.
<b>Average number of persons employed during the year</b>		
Office and management	71	70
Sales and maintenance	139	137
	<u>210</u>	<u>207</u>
<b>Staff costs include the following in respect of the directors:</b>	£	£
Directors' salaries	180,000	210,000
Pension contribution to defined contribution pension scheme	110,000	60,000
	<u>290,000</u>	<u>270,000</u>
	No.	No.
<b>Number of directors who are members of defined contribution pension scheme</b>	3	3
	£	£
<b>Highest paid director:</b>		
Salary	60,000	80,000
Pension contribution to defined contribution pension scheme	50,000	25,000
	<u>110,000</u>	<u>105,000</u>


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

<b>5.</b>	<b>INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	55,966	122,446
	Hire purchase obligations	2,965	7,131
	Other interest payable	19,186	10,760
		<u>78,117</u>	<u>140,337</u>
<b>6.</b>	<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	United Kingdom corporation tax at 31% (1997 : 31%)	250,903	189,411
	Deferred taxation	(33,640)	(10,689)
		<u>217,263</u>	<u>178,722</u>
	Adjustment in respect of prior years:		
	Corporation tax	-	3,166
	Deferred taxation	-	(40)
		<u>217,263</u>	<u>181,848</u>
<b>7.</b>	<b>PROFIT OF THE PARENT UNDERTAKING</b>	<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
	The group profit for the year after taxation arises as follows:		
	Profit in the parent undertaking	168,445	218,611
	Profit in the subsidiary undertakings	318,360	214,177
		<u>486,805</u>	<u>432,788</u>

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent undertaking is not presented as part of these accounts. The consolidated profit for the financial year includes profit on ordinary activities before taxation of £250,649 (1997 - £319,620) resulting in a retained profit after taxation of £168,445 (1997 - £218,611) which is dealt with in the accounts of the parent undertaking.


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**8. TANGIBLE FIXED ASSETS**

The Group	Freehold and long leasehold land and buildings £	Short leasehold land, buildings and improvements £	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost</b>						
At 1 January 1998	2,125,702	103,087	381,435	581,305	1,606,719	4,798,248
Additions	778,029	464,434	67,449	10,000	197,998	1,517,910
Disposals	(215,000)	(45,397)	-	(424,687)	(56,555)	(741,639)
At 31 December 1998	2,688,731	522,124	448,884	166,618	1,748,162	5,574,519
<b>Accumulated depreciation</b>						
At 1 January 1998	249,920	69,302	241,383	366,758	819,116	1,746,479
Charge for year	40,387	17,844	123,562	32,127	149,033	362,953
Disposals	-	(22,398)	-	(278,647)	(45,624)	(346,669)
At 31 December 1998	290,307	64,748	364,945	120,238	922,525	1,762,763
<b>Net book value</b>						
At 31 December 1998	2,398,424	457,376	83,939	46,380	825,637	3,811,756
At 31 December 1997	1,875,782	33,785	140,052	214,547	787,603	3,051,769

The net book value of the group's fixed assets includes the following in respect of assets held under hire purchase contracts:

	1998 £	1997 £
Computer equipment	11,922	18,065


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**8. TANGIBLE FIXED ASSETS (continued)**  
**The Group (continued)**

The net book value of freehold and long leasehold land and buildings comprises:

	1998 £	1997 £
Freehold	1,992,720	1,470,078
Long leasehold	405,704	405,704
	<u>2,398,424</u>	<u>1,875,782</u>

Freehold land and buildings include freehold land amounting to £716,465 (1997 - £300,544) which has not been depreciated.

The Company	Freehold and long leasehold land and buildings £	Short leasehold land and buildings £	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost</b>						
At 1 January 1998	1,290,819	46,903	250,366	62,500	1,069,704	2,720,292
Additions	778,029	-	65,394	-	109,275	952,698
Disposals	(215,000)	-	-	-	-	(215,000)
At 31 December 1998	<u>1,853,848</u>	<u>46,903</u>	<u>315,760</u>	<u>62,500</u>	<u>1,178,979</u>	<u>3,457,990</u>
<b>Accumulated depreciation</b>						
At 1 January 1998	139,878	46,903	171,072	34,848	498,791	891,492
Depreciation charge for the year	32,203	-	96,165	20,740	97,266	246,374
At 31 December 1998	<u>172,081</u>	<u>46,903</u>	<u>267,237</u>	<u>55,588</u>	<u>596,057</u>	<u>1,137,866</u>
<b>Net book value</b>						
At 31 December 1998	<u>1,681,767</u>	<u>-</u>	<u>48,523</u>	<u>6,912</u>	<u>582,922</u>	<u>2,320,124</u>
At 31 December 1997	<u>1,150,941</u>	<u>-</u>	<u>79,294</u>	<u>27,652</u>	<u>570,913</u>	<u>1,828,800</u>



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1998**

**8. TANGIBLE FIXED ASSETS (continued)**

**The Company (continued)**

The net book value of the company's fixed assets includes the following in respect of assets held under hire purchase contracts:

	1998 £	1997 £
Computer equipment	-	10,753
	<hr/>	<hr/>

The net book value of freehold and long leasehold land and buildings comprises:

	1998 £	1997 £
Freehold	1,276,063	745,237
Leasehold - long	405,704	405,704
	<hr/>	<hr/>
	1,681,767	1,150,941

Freehold land and buildings include freehold land amounting to £432,921 (1997 - £17,000).

During previous years, the group and company received a total capital grant of £300,000 from Shell UK Limited, for the development of a new forecourt. The group and company have accounted for the grant receivable by deducting it from the relevant expenditure which was the subject of the grant. The directors are aware that this treatment is not in accordance with the requirements of Paragraph 17 of Schedule 4 of the Companies Act 1985 but believe that the treatment in the accounts reflects the true nature of the grant receivable and that it should be set off against the capital expenditure for which it was received.


**CRAWLEY DOWN GROUP LIMITED**
**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**9. INVESTMENTS HELD AS FIXED ASSETS**

The Company	Shares in subsidiaries £	Loans to subsidiaries £	Total £
Cost			
At 1 January 1998 and 31 December 1998	25,000	800,000	825,000

The company's investments in loans to the subsidiaries are interest free and relate to amounts due outside one year with the repayment date yet to be decided. For additional information on subsidiaries see note 18.

**10. STOCKS**

	The Group		The Company	
	1998 £	1997 £	1998 £	1997 £
Work in progress	58,445	46,920	38,152	33,249
Goods for resale:				
Parts and accessories	241,074	164,471	110,102	48,625
Vehicles	2,633,428	2,394,178	1,976,672	1,659,305
Fuel and oil	40,681	60,011	40,681	60,011
Sundries	21,633	18,043	21,633	18,033
	<u>2,995,261</u>	<u>2,683,623</u>	<u>2,187,240</u>	<u>1,819,223</u>

The group's and company's vehicle stock at 31 December 1998 includes stock valued at £170,147 (1997 - £155,583) which is security for a liability of equal amount included within creditors, as disclosed in note 12.

The group and company also have consignment agreements with other manufacturers. The items covered by these agreements have not been included in stock as the agreements do not satisfy the requirements of Financial Reporting Standard No. 5 entitled "Reporting the Substance of Transactions". The value of the consignment stock held at the year end under these agreements was £204,240 (1997 - £149,297).


**CRAWLEY DOWN GROUP LIMITED**
**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**11. DEBTORS**

	The Group		The Company	
	1998	1997	1998	1997
	£	£	£	£
Trade debtors	1,034,857	860,852	590,395	541,615
Amounts owed by subsidiary undertakings	-	-	49,331	56,726
Other debtors	366,380	215,291	324,218	181,650
Prepayments	168,629	77,376	27,324	17,101
Corporation tax recoverable	22,646	22,646	-	-
	<u>1,592,512</u>	<u>1,176,165</u>	<u>991,268</u>	<u>797,092</u>

All amounts fall due within one year or are repayable on demand.

**12. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR**

	The Group		The Company	
	1998	1997	1998	1997
	£	£	£	£
Bank overdrafts - secured (note 14)	1,512,493	1,420,850	1,124,255	939,044
Current instalments on bank loans - secured (note 14)	70,737	85,590	59,145	57,445
Obligations under hire purchase contracts (note 15)	7,514	16,241	6,219	11,572
Trade creditors	1,761,013	1,502,954	1,172,251	962,181
Obligations due under vehicle consignment stocking plan	170,147	155,583	170,147	155,583
Short term loan from directors' pension scheme - unsecured	-	110,000	-	110,000
Amounts owed to subsidiary undertakings	-	-	273,655	185,795
Amounts owed to related company (note 19)	24,372	24,372	24,372	24,372
Corporation tax	232,136	170,644	87,928	81,006
Other taxation and social security	108,345	211,069	39,450	129,560
Directors' current accounts	9,961	17,469	9,961	17,469
Other creditors	394,504	343,925	134,334	137,503
Accruals	725,995	521,850	367,515	340,623
	<u>5,017,217</u>	<u>4,580,547</u>	<u>3,469,232</u>	<u>3,152,153</u>

The bank loans and overdrafts of the parent undertaking are secured by a fixed charge on the group's freehold properties. National Westminster Bank plc holds fixed and floating cross-guarantees in respect of all accounts held in the names of the companies within the group and of the related company (note 19), and has the right to the set off of debit and credit balances on all accounts. The related company had no borrowings under this guarantee at 31 December 1997 or 1998. All bank loans are repayable by instalments.

The obligations due under the vehicle consignment stocking plan are secured by an equal value of stock included within stocks (see note 10).



**CRAWLEY DOWN GROUP LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1998**

**13. CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR**

	<b>The Group</b>		<b>The Company</b>	
	1998	1997	1998	1997
	£	£	£	£
Loans - secured	654,356	736,280	586,022	656,354
Obligations under hire purchase contracts	-	7,514	-	6,219
Amounts owed to subsidiary undertakings	-	-	520,000	520,000
Loan from directors' pension scheme	510,000	-	510,000	-
	<u>1,164,356</u>	<u>743,794</u>	<u>1,616,022</u>	<u>1,182,573</u>

The bank loans are secured by a fixed charge over the freehold land and buildings owned by the group. Amounts owed to subsidiaries are interest free and there are no fixed repayment terms. The redemption date on the £110,000 pension scheme loan shown as due within one year in 1997 was extended during the year. £90,000 of the loan from the directors pension scheme is now repayable on 1 January 2002 and the remainder on 1 January 2004.

**14. BORROWINGS**

	<b>The Group</b>		<b>The Company</b>	
	1998	1997	1998	1997
	£	£	£	£
Bank loans and overdrafts - secured	2,237,586	2,242,720	1,769,422	1,652,843
Obligations under hire purchase contracts (see note 15)	7,514	23,755	6,219	17,791
	<u>2,245,100</u>	<u>2,266,475</u>	<u>1,775,641</u>	<u>1,670,634</u>

**Bank loans and overdrafts**

	<b>The Group</b>		<b>The Company</b>	
	1998	1997	1998	1997
	£	£	£	£
Amounts falling due:				
In one year or less	1,583,230	1,506,440	1,183,400	996,489
Between one and two years	60,000	70,737	50,000	59,145
Between two and five years	480,000	440,736	450,000	410,736
Over five years	114,356	224,807	86,022	186,473
	<u>2,237,586</u>	<u>2,242,720</u>	<u>1,769,422</u>	<u>1,652,843</u>

The bank loan is repayable by monthly instalments and is subject to an interest rate of 2% above National Westminster Bank plc base rate.




**CRAWLEY DOWN GROUP LIMITED**
**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

Amounts falling due:

	The Group		The Company	
	1998	1997	1998	1997
	£	£	£	£
Within one year	7,514	16,241	6,219	11,572
Between one and two years	-	7,514	-	6,219
	<u>7,514</u>	<u>23,755</u>	<u>6,219</u>	<u>17,791</u>

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

The Group	Balance at 1 January 1998 £	Credited to profit and loss account £	Balance at 31 December 1998 £
Deferred taxation	145,148	33,640	111,508
	<u>145,148</u>	<u>33,640</u>	<u>111,508</u>
The Company	Balance at 1 January 1998 £	Credited to profit and loss account £	Balance at 31 December 1998 £
Deferred taxation	82,636	25,328	57,308
	<u>82,636</u>	<u>25,328</u>	<u>57,308</u>

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

	1998	Provided 1997	1998	Unprovided 1997
	£	£	£	£
Accelerated capital allowances	111,508	148,791	-	-
Short term timing differences	-	(3,643)	-	-
	<u>111,508</u>	<u>145,148</u>	<u>-</u>	<u>-</u>
The Company	1998	1997	1998	1997
Accelerated capital allowances	57,308	86,279	-	-
Short term timing differences	-	(3,643)	-	-
	<u>57,308</u>	<u>82,636</u>	<u>-</u>	<u>-</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**17. CALLED UP SHARE CAPITAL**

	1998	Authorised 1997	1998	Called up, allotted and fully paid 1997
	£	£	£	£
Ordinary shares of £1 each	50,000	50,000	46,000	46,000

**18. ADDITIONAL INFORMATION ON SUBSIDIARIES**

Crawley Down Limited	-	Motor trade
Airport Parking and Hotels Limited	-	Provision of car parking

All subsidiaries are incorporated in Great Britain and operate in the United Kingdom. Crawley Down Group Limited holds 100% of the ordinary share capital of both subsidiaries.

**19. RELATED COMPANY**

Voller & Co. Limited is related with this company through common directors.

**20. CAPITAL COMMITMENTS**

	<b>The Group and Company</b>	
	1998	1997
	£	£
Contracted for but not provided	-	-

**21. CONTINGENT LIABILITY**

During 1995 the company entered into a fuel supply agreement with Shell UK Limited which formally commenced on 8 January 1996. If this agreement is terminated by the company before it has achieved the volume of fuel sales specified in the agreement, the company will be liable to penalties calculated in accordance with the agreement. At the date of this report the directors have no reason to believe that the required fuel sales will not be achieved.

A performance bond to the value of £42,000 has been issued in favour of Surrey County Council.

Any future liability to penalties arising from the agreement has been secured by way of a charge in favour of Shell UK Limited over the company's freehold and long leasehold property.

**22. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY**

During the year the group paid rent of £35,000 (1997 - £35,000) to BG Voller and JW Voller under a leasehold agreement and rent of £27,300 (1997 - £27,300) and interest of £19,363 (1997 - £9,900) to the Crawley Down Garage Directors Pension Scheme, of which B G Voller and J W Voller are members, on the loans totalling £510,000 made to the company. The directors are considered to be the controlling party.



## **ADDITIONAL INFORMATION**

The additional information on pages 26 and 27 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.



**COMPANY TRADING AND PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1998**

	1998		1997	
	£	£	£	£
<b>TURNOVER</b>		22,806,501		18,941,438
Cost of sales:				
Purchases, as adjusted for stocks	(19,767,368)		(15,966,762)	
Direct wages and salaries	(1,534,515)		(1,631,393)	
		<u>(21,601,883)</u>		<u>(17,598,155)</u>
<b>GROSS PROFIT</b>		<u>1,204,618</u>		<u>1,343,283</u>
<b>OTHER INCOME</b>				
Contribution to overheads	100,000		100,000	
Rent receivable	35,004		35,004	
Insurance agency	453		187	
Management charge	69,996		69,996	
		<u>205,453</u>		<u>205,187</u>
		<u>1,410,071</u>		<u>1,548,470</u>
Overhead expenses (see page 27)		(1,159,422)		(1,228,850)
<b>PROFIT BEFORE TAX</b>		<u>250,649</u>		<u>319,620</u>
Tax charge		(82,204)		(101,009)
<b>PROFIT AFTER TAX</b>		<u><u>168,445</u></u>		<u><u>218,611</u></u>



**CRAWLEY DOWN GROUP LIMITED**

**OVERHEAD EXPENSES**

**Year ended 31 December 1998**

		1998		1997
	£	£	£	£
<b>Administrative salaries</b>				
Administrative wages and salaries	63,326		208,968	
Pension contribution	134,553		76,720	
Directors' remuneration	180,000		210,000	
		377,879		495,688
<b>Establishment charges</b>				
Rates and water	(11,044)		61,787	
Lighting and heating	51,403		45,751	
Repairs to premises	84,969		62,825	
Insurance	28,607		21,422	
Rent	41,500		41,500	
		195,435		233,285
<b>Standing charge</b>				
Telephone	41,703		35,734	
Postage and stationery	34,126		35,294	
General advertising	19,881		13,508	
		95,710		84,536
<b>Finance</b>				
Bank charges and interest	47,928		119,736	
Bad debts	3,855		-	
Discounts	17,319		-	
		69,102		119,736
<b>Miscellaneous</b>				
Travelling expenses	4,277		1,776	
Staff training	961		1,338	
Staff welfare	3,777		11,181	
Audit and accountancy	20,860		20,525	
Professional fees	43,426		23,067	
Cleaning	37,000		29,665	
Subscriptions	1,631		415	
Repairs to plant	8,382		7,657	
Depreciation (net of recharge)	225,373		128,875	
Profit on disposal of fixed assets	-		(802)	
Entertaining	8,026		4,521	
Computer charges	13,427		12,365	
Security	6,178		5,934	
Policy grants	5,858		5,719	
Holiday pay reserve	9,000		14,770	
Vehicle expenses	33,120		28,599	
		421,296		295,605
<b>TOTAL OVERHEAD EXPENSES</b>		1,159,422		1,228,850

*(for the directors only)*