

BRANDON INVESTMENTS LIMITED

REPORT AND ABBREVIATED ACCOUNTS  
31 OCTOBER 1994

2



**REPORT OF THE AUDITORS TO THE DIRECTORS OF  
BRANDON INVESTMENTS LIMITED  
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 3 and 4 together with the accounts of Brandon Investments Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1994.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of Opinion**

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

**Opinion**

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 October 1994, and the abbreviated accounts on pages 3 and 4 have been properly prepared in accordance with that Schedule.

**Other information**

On 17 February 1995 we reported as auditors of Brandon Investments Limited to the members on the full accounts prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1994, and our audit report was as follows:

"We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**REPORT OF THE AUDITORS TO THE DIRECTORS OF  
BRANDON INVESTMENTS LIMITED**  
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985  
(continued)

**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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985".

*Downie Wilson*

DOWNIE WILSON  
Chartered Accountants  
Registered Auditors  
Glasgow

17 February 1995

ABBREVIATED BALANCE SHEET AT 31 OCTOBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
Fixed assets:			
Tangible assets	2	650,103	645,573
Current assets:			
Debtors	25,432		24,447
Cash at bank and in hand	35,093		20,041
		<hr/>	<hr/>
		60,525	44,488
Creditors: amounts falling due within one year	13,758		4,041
		<hr/>	<hr/>
Net current assets		46,767	40,447
		<hr/>	<hr/>
Total assets less current liabilities		696,870	686,020
Provision for liabilities and charges:			
Deferred taxation		131,800	131,000
		<hr/>	<hr/>
		£565,070	£555,020
		<hr/>	<hr/>
Capital and reserves:			
Called up share capital	3	2,000	2,000
Share premium		557,961	552,961
Profit and loss account		5,109	59
		<hr/>	<hr/>
		£565,070	£555,020
		<hr/>	<hr/>

In preparing these abbreviated accounts we have relied on the exemptions for individual accounts conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

C. ROBERTSON )

) Directors

J.H. MUTCH )

17 February 1995

*Charles Robertson*  
*J.H. Mutch*

NOTES TO THE ABBREVIATED ACCOUNTS AT 31 OCTOBER 19941. Accounting policiesAccounting convention

These accounts are prepared in accordance with applicable Accounting Standards and under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Depreciation

Depreciation is not provided on freehold land and buildings and works of art and chattels as the directors consider that their current value is not less than the amount at which they are stated in the balance sheet.

It is the company's policy to maintain its buildings, works of art and chattels in a state of good repair.

2. Fixed assets

	<u>Tangible assets</u> £
Cost:	
At 1 November 1993	645,573
Additions	4,626
Disposals	(96)
	<hr/>
At 31 October 1994	650,103
	<hr/>
Net book value:	
At 31 October 1994	£650,103
	<hr/>
At 1 November 1993	£645,573
	<hr/>

3. Share capital

	<u>Authorised No.</u>	<u>Allotted, called up and fully paid</u>
Ordinary shares of 50p each	20,000	£ 2,000
	<hr/>	<hr/>



MAGNUM MOTORS LTD.

71.121

FINANCIAL STATEMENTS

FOR

YEAR ENDED 30TH NOVEMBER, 1994.

MACKENZIE & CO.

CHARTERED ACCOUNTANTS

GLASGOW

MAGNUM MOTORS LTD.

COMPANY INFORMATION

DIRECTORS

J. Brittan

J. Anderson

M. McMahon

SECRETARY

M. McMahon

COMPANY NUMBER

71,121

REGISTERED OFFICE

7-9, Ayr Road,  
IRVINE,  
Ayrshire, KA12 8DJ.

AUDITORS

Mackenzie & Co.,  
Chartered Accountants  
and Registered Auditors  
15, Carlaverock Road,  
GLASGOW,  
G43 2SA.

## DIRECTORS' REPORT

The Directors present their Report and the Company's Financial Statements for the year ended 30th November, 1994.

### 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 the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- [1] select suitable accounting policies and then apply them consistently ;
- [2] make judgements and estimates that are reasonable and prudent ;
- [3] 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.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Company's principal activity continues to be that of a garage. The results for the year are set out in the Profit and Loss Account. The disappointing results were caused by difficult trading conditions and consequent reduction of margins. The directors consider the state of affairs to be satisfactory.

### DIVIDENDS

An interim dividend of £4,000 (133p per share) was paid during the year. The directors do not recommend a final dividend and the retained losses of £7,176 will be deducted from reserves.

### FIXED ASSETS

Details of movements in fixed assets are set out in a note to the financial statements. The Company's heritable property is included at a current revaluation.

### DIRECTORS

The Directors who served during the year were J. Brittan , J. Anderson and M. McMahon.

### HOLDING COMPANY

The Company is a wholly owned subsidiary, the ultimate holding Company being Dalry Motor Holdings Ltd., a Company registered in Scotland.

### AUDITORS

The Auditors, Mackenzie & Co., C.A., will be proposed for re-appointment in accordance with Section 385, Companies Act 1985.

This Report was approved by the Board on 7th April, 1995 and signed on its behalf.

J. BRITTAN  
  
Director



REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF MAGNUM MOTORS LTD.

---

We have audited the following financial statements which have been prepared under the historical cost convention as modified by the revaluation of heritable property and the accounting policies set out in the Notes.

Respective responsibilities of directors and auditors

As described in the Directors' Report 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 judgments 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 30th November, 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GLASGOW.

  
MACKENZIE & CO.

10th April, 1995.

CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

MAGNUM MOTORS LTD.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH NOVEMBER, 1994

		£	1993 £
Turnover	(Note 1)	2873163	2701969
Cost of Sales		2705646	2537442
		-----	-----
GROSS PROFIT		167517	164527
Administrative and Distribution Expenses		142031	114087
		-----	-----
OPERATING PROFIT	2	25486	50440
Interest Received		-	-
		-----	-----
		25486	50440
Interest Payable	5	29595	25514
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		(4109)	24926
Corporation Tax	6	(933)	6188
		-----	-----
PROFIT FOR YEAR		(3176)	18738
Dividend		4000	-
		-----	-----
		(7176)	18738
Retained Profit B/Forward		191237	172499
		-----	-----
RETAINED PROFIT CARRIED FORWARD		184061	191237
		=====	=====

## MAGNUM MOTORS LTD.

BALANCE SHEET AS AT 30TH NOVEMBER, 1994.

	£	£	£	1993 £
TANGIBLE FIXED ASSETS 15			343088	240871
PARENT COMPANY - Loan 8			60006	60006
CURRENT ASSETS				
Stock 1	300632			294203
Trade Debtors	20673			26516
Cash on Hand	62			58
		321367		320777
CREDITORS: Amounts due within one year				
Stocking Loan 8	125000			110000
Current Hire Purchase	97177			102181
Mortgage Instalment	3244			3244
BP Ltd - Loan Instalment	10350			13300
Inter Group Loans 8	19330			12363
Bank Overdraft	30491			10119
Trade Creditors	38706			40060
Current Corporation Tax	-			5100
Taxes and Social Security	16367			8824
Accrued Charges	2457			13626
		343122		318817
NET CURRENT ASSETS			(21755)	1960
TOTAL ASSETS LESS CURRENT LIABILITIES			381339	302837
CREDITORS: Amounts due after more than one year				
Mortgage 8		9734		12980
Hire Purchase		4535		8345
Loan - B.P. Ltd. 8		-		10350
			14269	31675
PROVISION FOR LIABILITIES AND CHARGES			367070	271162
Deferred Taxation 9			5303	6219
NET ASSETS			361767	264943
CAPITAL AND RESERVES				
Called Up Share Capital 10			3000	3000
Revaluation Reserve 12			174706	70706
Profit & Loss Account			184061	191237
SHAREHOLDERS' FUNDS 11			361767	264943

J. BRITTAN

DIRECTOR

7th April 1995

## MAGNUM MOTORS LTD.

## CASH FLOW STATEMENT YEAR ENDED 30TH NOVEMBER, 1994

	£	£	£	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES			28009	31745
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				.....
Interest received		-		-
Interest paid		(29595)		(25514)
Dividends paid		(4000)		-
		-----		-----
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(33595)	(25514)
TAXATION				.....
Corporation tax paid (including A C T)		(5083)		(6017)
		-----		.....
TAX PAID			(5083)	(6017)
				.....
INVESTING ACTIVITIES				
Payments to acquire tangible fixed assets		(6306)		(3466)
Receipts from sales of tangible fixed assets		-		-
		-----		-----
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(6306)	(3466)
			-----	-----
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING			(16975)	(3252)
				.....
FINANCING				
Increase in loans from other group companies		6967		(12138)
Increase / (Decrease) in other loans		(10360)		65859
		-----		-----
NET CASH INFLOW/(OUTFLOW) FROM FINANCING			(3393)	53721
			-----	.....
INCREASE /(DECREASE) IN CASH & CASH EQUIVALENTS			(20368)	50469
			=====	=====

# NOTES TO THE CASH FLOW STATEMENT

## (1) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£	1993
Operating Profit	25,486	50,440
Depreciation Charges	8,089	9,971
Increase in Stocks	( 6,429)	(32,181)
Increase in Debtors	5,843	20,007
Increase in Creditors	( 4,980)	(16,492)
	-----	-----
Net cash inflow from operating activities	28,009	31,745
	=====	=====

## (2) ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	30/11/94	30/11/93	Net Cash Inflow
	-----	-----	-----
Cash in Hand	62	58	4
Bank Overdraft	(30,491)	(10,119)	(20,372)
	-----	-----	-----
	(30,429)	(10,061)	(20,368)
	=====	=====	=====
Previous Year	(10,061)	(60,530)	50,469
	=====	=====	=====

MAGNUM MOTORS LTD.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR YEAR ENDED 30TH NOVEMBER, 1994.

	£	1993
Profit/(Loss) for the financial year	(7,176)	18,738
Unrealised surplus on revaluation of heritable property	104,000	-
	-----	-----
Total gains/(losses) recognised since last annual report	96,824	18,738
	=====	=====

## NOTES ON THE FINANCIAL STATEMENTS

---

### (1) ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention modified by the revaluation of heritable property and include the results of the company's operations described in the Directors' Report and all of which are continuing.

#### 1.2 DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to reduce each asset to its estimated residual value at the end of its expected useful life. The principal rates used are -

Furniture & Plant	- 15% reducing balance method,
Vehicles	- 25% reducing balance method,
Property	- 1% straight line method,

#### 1.3 TURNOVER

Turnover represents the total value of goods and services sold net of Value Added Tax.

#### 1.4 PENSION SCHEME

The Pension contributions are to a defined contributions scheme. The charge is the amount of the contributions paid.

#### 1.5 DEFERRED TAXATION

Deferred taxation is provided at the current rate of taxation to provide for capital allowances given in advance of the corresponding charge for depreciation, when required.

### (2) OPERATING PROFIT

	£	1993
--	---	------

The operating profit is stated after charging :-

Depreciation	7,714	9,971
Auditors' remuneration	1,750	1,750

### (3) STAFF COSTS

	£	1993
--	---	------

Staff costs, including directors' remuneration were :-

Wages and Salaries	166,497	154,051
Social Security Costs	11,289	12,726
Pension Costs	4,281	4,278

The average weekly number of employees, including directors was

	19	18
Allocated - Management	3	3
- Others	16	15

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(4) DIRECTORS' REMUNERATION	£	1993
Amounts for services as a Director	21,962	19,950
Pension Contributions	2,660	2,660
No. of Directors earning : £20,001/£25,000 - 1 .		
The remuneration of the highest paid Director was £21,962.		
(5) INTEREST PAYABLE		
On bank loans, overdrafts and other loans -		
repayable within 5 yrs, not by instalments	4,736	2,373
repayable within 5 yrs, by instalments	1,279	1,409
	-----	-----
	6,015	3,782
Hire purchase & stocking charges	23,580	21,732
	-----	-----
	29,595	25,514
	=====	=====
(6) TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation Tax provided on profit		
of year at 25%.	-	5,100
Under/(Over) provision in previous year	(17)	17
Transfer to/(from) deferred taxation	(916)	1,071
	-----	-----
	(933)	6,188
	=====	=====
(7) ASSETS HELD UNDER HIRE PURCHASE CONTRACTS		
Tangible fixed assets -		
Plant & Machinery	12,577	
Current assets -		
Stock of demonstrators	78,977	
(8) LOANS		
The inter group loans have no fixed date for repayment. All other loans are repayable within five years. The Stocking Loan is secured by a Floating Charge over all assets and a third charge over the heritable property.		
The mortgage is secured by a first charge over the heritable property.		
The loan from B.P. Ltd., is secured by a second charge over the heritable property.		
(9) DEFERRED TAXATION		
Capital Allowances in advance of depreciation :-		
Opening balance	6,219	5,148
Transfer from /(to) Profit & Loss Account	(916)	1,071
	-----	-----
	5,303	6,219
	=====	=====



# NOTES TO THE FINANCIAL STATEMENTS (Continued [2])

## (10) SHARE CAPITAL

Authorised and Issued - 3,000 Ordinary Shares of £1 each, fully paid.

## (11) MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for year	(3,176)	18,738
Less: Dividend	4,000	-
	-----	-----
	(7,176)	18,738
Surplus on revaluation	104,000	-
Opening shareholders' funds	264,943	246,205
	-----	-----
Closing shareholders' funds	361,767	264,943
	=====	=====

## (12) PROPERTY REVALUATION

The property has been included at £300,000 on the basis of an open market valuation carried out by Douglas Inglis & Partners, Chartered Surveyors, 5, St. Marnock Place, Kilmarnock, dated 17th January, 1995. The surplus on revaluation has been credited to Revaluation Reserve. As no liability will crystallise in the foreseeable future, deferred taxation has not been provided.

## (13) CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities.

## (14) CAPITAL COMMITMENTS

The Company is not committed to any capital expenditure.

(15) TANGIBLE FIXED ASSETS YEAR ENDED 30TH NOVEMBER, 1994

		HERITABLE PROPERTY	PLANT & MACHINERY	FURNITURE & EQUIPMENT	MOTOR VEHICLE	TOTAL
<hr/>						
COST / REVALUATION						
As at 1.12.1993	(12)	200000	78330	15950	2100	296380
Revaluation		100000	-	-	-	100000
Sold		-	-	-	(2100)	(2100)
Purchased		-	2688	2668	950	6306
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		300000	81018	18618	950	400586
		.....	.....	.....	.....	.....
DEPRECIATION						
As at 1.12.1993		-	40059	9725	1725	51509
Depreciation-Disposals		-	-	-	1725	1725
Depreciation for Year		-	6144	1333	237	7714
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	46203	11058	237	57498
		.....	.....	.....	.....	.....
NET BOOK VALUE						
As at 30.11.1994	7	300000	34815	7560	713	343088
		=====	=====	=====	=====	=====
As at 30.11.1993		196000	38271	6225	375	240871
		=====	=====	=====	=====	=====