

HINDLE AND WALKER LIMITED

INDEX TO THE MODIFIED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990

00614

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Ridehalgh and Son

Chartered Accountants
Philanthropic Buildings
1 St. Peter Street
Blackburn

COMPANIES HOUSE
29 MAR 1991
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HINDLE AND WALKER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1990

ACCOUNTS

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st March 1990.

RESULTS AND DIVIDENDS

The results for the financial year are set out in the profit and loss account on page 3.

The directors do not recommend the payment of a dividend and the profit of £880,081 has been added to retained profit carried forward.

REVIEW OF THE BUSINESS

During the year the company disposed of all of its interests in the Volvo main dealerships. The company continues to operate in the used vehicle market.

DIRECTORS AND THEIR INTERESTS

The directors are shown below, together with their interests in the share capital of the company :

	<u>Ordinary Shares</u>	
	<u>31st March</u>	
	<u>1990</u>	<u>1989</u>
L. Hindle	14,999	14,999
Mrs. M. E. Hindle	1	1

Mr. M.N. Hindle was appointed as a director on 18th July 1990.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 10 to the financial statements and includes the sale of the company's workshop equipment.

In the opinion of the directors the market value of the company's interest in land and buildings exceeded its book value by approximately £440,000.

TAX STATUS

In the opinion of the directors the company is a close company within the meaning of Section 414, Income and Corporation Taxes Act 1988.

AUDITORS

Ridehalgh and Son offer themselves for re-appointment in accordance with Section 384 of the Companies Act 1985.

By Order of the Board

L. Hindle
Secretary

Registered Office
Haydock House
Pleckgate Road
Blackburn

22nd March 1991

AUDITORS REPORT TO THE DIRECTORS OF
HINDLE AND WALKER LIMITED

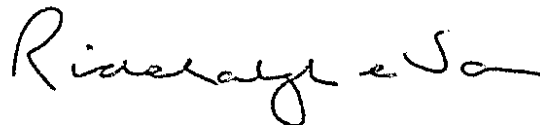
We have examined the financial statements on pages 3 to 11 which have been modified, in the manner permitted for a medium sized company from the financial statements of the company prepared for its members for the year ended 31st March 1990.

In our opinion the directors are entitled under section 247 to 249 of the Companies Act 1985 to deliver modified financial statements in respect of the year ended 31st March 1990 and therefore the modified financial statements have been properly prepared in accordance with Schedule 8 to that Act.

We set out below the text of our report dated 22nd March 1991 to the members on the unmodified financial statements for the year ended 31st March 1990.

'We have audited the financial statements on pages 3 to 12 in accordance with approved auditing standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1990 and of its result and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



Ridehalgh and Son

Chartered Accountants
Philanthropic Buildings
1 St. Peter Street
Blackburn

22nd March 1991

HINDLE AND WALKER LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
Gross Profit		807,787	1,947,030
Administrative costs		(974,677)	(1,830,578)
		166,890	116,452
Interest payable	5	(41,404)	(41,274)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(208,294)	75,178
Tax on ordinary activities	7	(48,398)	(28,029)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(159,896)	103,207
Extraordinary items	8	1,039,977	-
PROFIT FOR THE YEAR		880,081	103,207
Dividends	9	-	1,208,020
RETAINED PROFIT/(LOSS) FOR THE YEAR		880,081	(1,104,813)
Retained profit brought forward		1,310,250	2,415,063
RETAINED PROFIT CARRIED FORWARD		<u>£2,190,331</u>	<u>£1,310,250</u>

The notes on pages 5 to 11 form an integral part of these financial statements.

HINDLE AND WALKER LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1990

	Notes	£	<u>1990</u> £	£	<u>1989</u> £
FIXED ASSETS					
Tangible assets	10		305,964		294,514
CURRENT ASSETS					
Stocks	11	121,643		2,556,008	
Debtors	12	1,051,771		568,714	
Investments		500,000		-	
Cash at bank and in hand		1,100,882		1,055	
		<u>2,774,296</u>		<u>3,125,777</u>	
CREDITORS - amounts falling due within one year	14	<u>(872,969)</u>		<u>(2,028,952)</u>	
NET CURRENT ASSETS			<u>1,901,327</u>		<u>1,096,825</u>
ASSETS LESS CURRENT LIABILITIES			<u>2,207,291</u>		<u>1,391,339</u>
CREDITORS - amounts falling due after more than one year	15		-		(42,000)
Provisions for liabilities and charges	16		<u>(1,960)</u>		<u>(24,089)</u>
NET ASSETS			<u><u>£2,205,331</u></u>		<u><u>£1,325,250</u></u>

Financed by:

CAPITAL AND RESERVES

Called up share capital	17	15,000	15,000
Profit and loss account		<u>2,190,331</u>	<u>1,310,250</u>
		<u><u>£2,205,331</u></u>	<u><u>£1,325,250</u></u>

In preparing these modified financial statements, we have relied upon the exemptions for individual financial statements under section 247 of the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a medium sized company.

L. Hindle

M. N. Hindle

) Directors

These financial statements were approved by the Board of Directors on 22nd March 1991.

The notes on pages 5 and 11 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention. The principal accounting policies have remained unchanged from the previous year.

1.2 Depreciation of tangible assets

Fixed Assets are being depreciated so as to write them off over their anticipated useful lives at the following annual rates.

Freehold land and buildings	- 2% on the straight line method
Long leasehold land and buildings	- 2% on the straight line method
Tools and equipment	- 15% on the reducing balance method

1.3 Stock

Stock is valued at the lower of cost and net realisable value in the normal course of business, after making due allowances for obsolete or slow moving items.

1.4 Deferred taxation

Deferred taxation is provided at 25% using the liability method in respect of timing differences, other than those which are expected with reasonable probability to continue for the foreseeable future.

2. TURNOVER

Turnover was the result of the company's principal activity within the U.K. and is stated exclusive of trade discounts and value added tax.

3. PROFIT(LOSS) ON ORDINARY ACTIVITIES
BEFORE TAXATION

1990 1989

£ £

This is stated after charging (crediting):

Directors emoluments (see note 4.3)	373,633	584,847
Auditors' remuneration	5,500	5,500
Depreciation	6,883	14,758

HINDLE AND WALKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 1990

4.	EMPLOYEE INFORMATION	<u>1990</u>	<u>1989</u>
		£	£
4.1	Staff costs:		
	Wages and salaries	685,139	1,229,738
	Social security costs	69,452	118,151
	Other pension costs	428	56,668
		<u>£ 755,019</u>	<u>£1,404,557</u>
4.2	The average weekly number of employees during the year was made up as follows:	No.	No.
	Administration	15	25
	Salesmen	4	10
	Workshop and parts	16	37
	Drivers and cleaners	6	14
		<u>41</u>	<u>86</u>
4.3	Directors' emoluments:	<u>1990</u>	<u>1989</u>
	For services as executives	373,205	534,847
	Pension contributions	428	50,000
		<u>£ 373,633</u>	<u>£ 584,847</u>

The emoluments, excluding pension contributions of the chairman who is also the highest paid director, amounted to £348,000 (1989 : £480,418).

5.	INTEREST PAYABLE	<u>1990</u>	<u>1989</u>
		£	£
	On bank overdraft	3,254	1,003
	On loans repayable within 5 years	38,150	40,271
		<u>£ 41,404</u>	<u>£ 41,274</u>

HINDLE AND WALKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 1990

6.	OTHER OPERATING INCOME	<u>1990</u> £	<u>1989</u> £
	Commissions receivable	51,667	127,951
	Rents receivable	35,071	18,821
	Bank interest receivable	94,422	5,840
	Loan interest receivable	21,165	-
		<u>£202,325</u>	<u>£152,612</u>
7.	TAXATION	<u>1990</u> £	<u>1989</u> £
	The tax charge on the Loss/profit on ordinary activities for the year was as follows:		
	U.K corporation tax at 25% (1989 - 25%)	(28,584)	26,140
	Deferred taxation	(22,129)	(7,847)
	Interest paid (repaid) on overdue tax	2,315	(20,796)
		<u>(48,398)</u>	<u>(2,503)</u>
	Taxation (over)/underprovided in previous years:		
	Corporation tax	-	(25,526)
		<u>£ (48,398)</u>	<u>£ (28,029)</u>
8.	EXTRAORDINARY ITEMS	<u>1990</u> £	<u>1989</u> £
	Extraordinary profit on disposal of the company's interests in its motor vehicle dealerships	1,046,491	-
	Less attributable taxation	6,514	-
		<u>£1,039,977</u>	<u>£ -</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 1990

9. DIVIDEND	<u>1990</u> £	<u>1989</u> £
Dividend paid		- 1,208,020

The dividend of £1,208,020 was paid on 30th April 1988 in accordance with the demerger agreement and was satisfied by the net assets of two of the company's operations together with an appropriate monetary adjustment so as to represent one half of the company's net asset value at that date.

10. TANGIBLE FIXED ASSETS

	Land and buildings		Tools and	Total
	<u>Freehold</u>	<u>Long leasehold</u>	<u>equipment</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st April 1989	171,242	59,051	156,558	386,851
Additions	68,483	18,462	19,316	106,261
Disposals	(3,975)	-	(171,763)	(175,738)
At 31st March 1990	<u>235,750</u>	<u>77,513</u>	<u>4,111</u>	<u>317,374</u>
Depreciation:				
At 1st April 1989	3,425	1,181	87,731	92,337
Charge for year	4,715	1,551	617	6,883
Disposals	(79)	-	(87,731)	(87,810)
At 31st March 1990	<u>8,061</u>	<u>2,732</u>	<u>617</u>	<u>11,410</u>
Net book value at 31st March 1990	<u>£227,689</u>	<u>£ 74,781</u>	<u>£ 3,494</u>	<u>£305,964</u>
Net book value at 31st March 1989	<u>£167,817</u>	<u>£ 57,870</u>	<u>£ 68,827</u>	<u>£294,514</u>

HINDLE AND WALKER LIMITEDNOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 1990

11.	STOCKS	<u>1990</u> £	<u>1989</u> £
	The amounts attributable to the different categories are as follows:		
	Vehicles for resale	121,643	2,306,086
	Parts for resale	-	247,872
	Fuel for resale	-	2,050
		<u>£ 121,643</u>	<u>£2,556,008</u>
12.	DEBTORS	<u>1990</u> £	<u>1989</u> £
	Trade debtors	142,824	442,314
	Amounts owed by subsidiaries	366,745	-
	Social security and other taxes	22,430	63,852
	Other debtors	508,607	10,044
	Prepayments and accrued income	11,165	52,504
		<u>£1,051,771</u>	<u>£568,714</u>
13	CURRENT ASSET INVESTMENTS	<u>1990</u>	<u>1989</u>
	Investments listed on a recognised investment exchange	£ 500,000	£ -
	Market value	£ 404,135	£ -
14.	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1990</u> £	<u>1989</u> £
	Bank overdraft	346,782	359,133
	Trade creditors	26,185	984,062
	Corporation tax	-	52,649
	Other taxes and social security costs	36,385	100,418
	Directors' current accounts	6,323	321
	Accrued directors' remuneration	300,000	430,000
	Loan	56,000	14,000
	Accruals and deferred income	101,294	88,369
		<u>£ 872,969</u>	<u>£2,028,952</u>

HINDLE AND WALKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 1990

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1990</u> £	<u>1989</u> £
Loan	-	42,000
	<u>£ -</u>	<u>£ 42,000</u>

16. DEFERRED TAXATION

Movements on the provision for deferred taxation are:-

	£
At 1st April 1989	24,089
Transferred from profit and loss account	22,129
	<u>£ 1,960</u>

The deferred taxation provision comprises:	<u>1990</u>	<u>1989</u>
Excess of tax allowances over depreciation	<u>£ 1,439</u>	<u>£24,089</u>

17. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
	£	<u>1990</u> £	<u>1989</u> £
Ordinary shares of £1 each	<u>25,000</u>	<u>15,000</u>	<u>15,000</u>

18. GROUP UNDERTAKINGS

The company holds more than 10% of the equity of the following undertakings :

Interests in group undertakings :

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 1990

<u>Name of undertaking</u>	<u>Country of incorporation</u>	<u>Description of shares held</u>	<u>Proportion of nominal value of issued shares held</u>
Haydock Homes Limited	England	£1 Ordinary	100%
Haydock Construction Limited	England	£1 Ordinary	100%

Group accounts have not been prepared because neither of the subsidiary undertakings has traded since the date of incorporation up to the end of its relevant financial year.

In the case of Haydock Construction Limited its last financial year ended on 31st December 1989. Since this date the company has commenced trading although its activities in the period from 1st January 1990 to 31st March 1990 have not given rise to either a profit or loss. The directors have now taken the necessary steps to bring its year end into line with that of the group.

19 CAPITAL COMMITMENTS

19901989

Capital expenditure that has been contracted for but has not been provided for in the financial statements

£ - £25,000

Capital expenditure that has been authorised by the directors but has not yet been contracted for

£ - £ -

20 CONTINGENT LIABILITY

The company has given a guarantee in respect of the borrowings of another company. The limit of the guarantee was £750,000 at 31st March 1990 and has since been reduced to £250,000.