

CLEGG AND BROOKING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 1995

Company No: 00780708

HARRIS RULE
Chartered Accountants
66/70 Oxford Street
Southampton
S014 3DL



CLEGG AND BROOKING LIMITED

DIRECTORS

K R J Brooking
Mrs P V Brooking
R R Brooking
Mrs T J Brooking
K J Clegg
Mrs J A Cook
J P Cook

SECRETARY

Mrs T J Brooking

BUSINESS ADDRESS

White Horse Service Station
Middle Wallop
Stockbridge
Hampshire SO20 8DZ

REGISTERED OFFICE

Walcote Chambers
High Street
Winchester
Hampshire SO23 9AP

AUDITORS

Harris Rule
66-70 Oxford Street
Southampton SO14 3DL

PRINCIPAL BANKERS

Lloyds Bank plc
22 High Street
Andover
Hampshire

CLEGG AND BROOKING LIMITED

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FOR THE YEAR ENDED 28 FEBRUARY 1996

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CLEGG AND BROOKING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 28 February 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity was garage proprietors and coach operators.

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £18 453 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of Share</u>	<u>Number of Shares</u>	
		<u>1995</u>	<u>1994</u>
K R J Brooking	Ordinary shares	264	264
Mrs P V Brooking	Ordinary shares	264	264
R R Brooking	Ordinary shares	264	264
Mrs T J Brooking	Ordinary shares	387	387
K J Clegg	Ordinary shares	217	217
Mrs J A Cook	Ordinary shares	387	387
J P Cook	Ordinary shares	217	217

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

CLEGG AND BROOKING LIMITED

REPORT OF THE DIRECTORS (cont)

- 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.

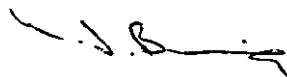
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Harris Rule, are willing to be reappointed in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



T J Brooking
Secretary

Date: 21/8/96.

CLEGG AND BROOKING LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF CLEGG AND BROOKING LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the 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.

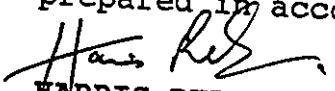
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by 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 affairs of the company as at 28 February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


HARRIS RULE
Registered Auditors
Chartered Accountants

66/70 Oxford Street
Southampton SO14 3DL

Date: 23rd August 1996

CLEGG AND BROOKING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 1995

	<u>Notes</u>	1995 £	1994 £
TURNOVER			
Cost of Sales		986 062	1 249 698
		<u>(767 433)</u>	<u>(985 643)</u>
GROSS PROFIT		218 629	264 055
Distribution Costs		(103 717)	(108 078)
Administrative Expenses		<u>(85 128)</u>	<u>(140 027)</u>
OPERATING PROFIT			
	2	29 784	15 950
Interest Receivable			
Interest Payable	4	297	556
	5	<u>(8 455)</u>	<u>(7 426)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21 626	9 080
Tax on profit on ordinary activities	7	<u>(3 173)</u>	<u>(6 695)</u>
PROFIT FOR THE FINANCIAL YEAR 16		<u>£ 18 453</u>	<u>£2 385</u>

None of the company's activities were acquired or discontinued during the financial years above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

CLEGG AND BROOKING LIMITED
BALANCE SHEET AT 28 FEBRUARY 1995

	<u>Notes</u>	1995 £	£	1994 £	£
FIXED ASSETS					
Intangible Assets	8		408 267		333 293
CURRENT ASSETS					
Stocks					
Debtors	9	18 648		19 602	
Cash at Bank and in Hand	10	18 225		13 534	
		<u>5 002</u>		<u>12 935</u>	
		41 875		46 071	
EDITORS:					
Amounts falling due within one year	11	(88 079)		(70 729)	
TOTAL CURRENT LIABILITIES			(46 204)		(24 658)
TOTAL ASSETS					
LESS CURRENT LIABILITIES					
EDITORS: Amounts falling due over more than one year	12		362 063		308 635
PROVISIONS FOR LIABILITIES			(52 056)		(22 366)
CHARGES			(15 436)		(10 151)
TOTAL AND RESERVES			<u>£294 571</u>		<u>£276 118</u>
Called up Share Capital	14		2 000		2 000
Valuation Reserve			146 587		146 587
Profit and Loss Account	15		<u>145 984</u>		<u>127 531</u>
			<u>294 571</u>		<u>276 118</u>

These financial statements were approved by the Board on 21st August 1996....
 Signed on its behalf by

.....
 Director

Notes on pages 6 to 11 form part of these financial statements.

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Freehold buildings	Straight line over fifty years
Plant and machinery	20% per annum on reducing balance
Motor vehicles	25% per annum on reducing balance

4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion of the remaining balance of capital repayments or net obligations outstanding.

PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employee's working lives with the company. These contributions are invested separately from the company's assets.

CLEGG AND BROOKING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1995

2. OPERATING PROFIT

	1995 £	1994 £
The operating profit is stated after charging:		
Depreciation		
Auditors' Remuneration	42 860	47 244
Hire of Equipment	2 937	2 852
	<u>19</u>	<u>208</u>

INTEREST RECEIVABLE

	1995 £	1994 £
Bank and other interest receivable	<u>297</u>	<u>556</u>
	<u>297</u>	<u>556</u>

INTEREST PAYABLE

	1995 £	1994 £
On Bank Loans and Overdrafts repayable in full within five years		
On Overdue Tax	850	1 951
Hire Purchase Interest	49	-
	<u>7 556</u>	<u>5 475</u>
	<u>8 455</u>	<u>7 426</u>

DIRECTORS AND EMPLOYEES

	1995 £	1994 £
Staff Costs:-		
Wages and Salaries		
Social Security Costs	69 959	81 054
Other Pension Costs	2 349	1 512
	<u>4 199</u>	<u>3 925</u>
	<u>76 507</u>	<u>86 491</u>

Directors' Emoluments:-

	1995 £	1994 £
Remuneration for management services (including pension contributions)	<u>46 943</u>	<u>55 069</u>

PENSION COSTS

The company operates a defined contribution pension scheme. The asset of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £4 199 (1994 : £3 925). All contributions were paid in the year.

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1995

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
The taxation credit based on the profit before tax comprises:-		
UK Corporation Tax at 25% (1994-25%)	-	5 190
Transfer from Deferred	5 285	1 505
Adjustment in respect of prior years	(2 112)	-
	<u>3 173</u>	<u>6 695</u>

TANGIBLE ASSETS

	Plant & Machinery £	Land & Buildings £	Motor Vehicles £	TOTAL £
Cost or valuation				
1 March 1994	107 233	260 985	155 097	523 315
Additions	302	-	170 350	170 652
Disposals	-	-	(91 040)	(91 040)
28 February 1995	<u>107 535</u>	<u>260 985</u>	<u>234 407</u>	<u>602 927</u>
Depreciation				
1 March 1994	59 990	42 248	87 784	190 022
Charge for year	9 509	4 019	29 332	42 860
Disposals	-	-	(38 222)	(38 222)
31 March 1996	<u>69 499</u>	<u>46 267</u>	<u>78 894</u>	<u>194 660</u>
Book Value at February 1995	<u>38 036</u>	<u>214 718</u>	<u>155 513</u>	<u>408 267</u>
Book Value at February 1994	<u>47 243</u>	<u>218 737</u>	<u>67 313</u>	<u>333 293</u>

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1995

Analysis of net book value of land and buildings:

	1995 £	1994 £
Freehold	<u>214 718</u>	<u>218 737</u>
Freehold land and buildings were at open market value at 30 November 1980 at £162 500. Subsequent additions have been included under the historic cost accounting rules. The amount stated for the item would be cost £114 398, depreciation at 28 February 1995 £19 580.		

Included above are assets held under finance leases or hire purchase contracts as follows:

	1995 £	1994 £
Net Book values: Motor Vehicles	<u>143 588</u>	<u>59 872</u>
Depreciation charge for the year: Motor Vehicles	<u>143 588</u>	<u>59 872</u>
	<u>13 380</u>	<u>26 269</u>
	<u>13 380</u>	<u>26 269</u>
Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.		

STOCKS

	1995 £	1994 £
Finished goods and goods for resale	<u>18 648</u>	<u>19 602</u>
	<u>18 648</u>	<u>19 602</u>

DEBTORS

	1995 £	1994 £
Trade Debtors	8 063	9 537
Other Debtors	8 155	1 763
Prepayments and Accrued Income	<u>2 007</u>	<u>2 234</u>
	<u>18 225</u>	<u>13 534</u>

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1995

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank Loans and Overdrafts	34 855	18 157
Trade Creditors	18 299	19 198
Corporation Tax	-	5 190
Taxes and Social Security Costs	2 464	3 582
Net Obligations under Finance Lease and Hire Purchase Contracts	25 028	18 595
Other Creditors	2 965	2 965
Accruals and Deferred Income	4 468	3 042
	<u>88 079</u>	<u>70 729</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
Net Obligations under Finance Leases and Hire Purchase Contracts	<u>52 056</u>	<u>22 366</u>
	<u>52 056</u>	<u>22 366</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 25% (1994 - 25%) analysed over the following timing differences:

	1995 £	Fully Provided 1994 £
On the excess of capital allowances over depreciation	<u>15 436</u>	<u>10 151</u>
	<u>15 436</u>	<u>10 151</u>

The revaluation of properties does not constitute a timing difference and the potential amount of deferred tax on this has therefore not been quantified.

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 1995

14. SHARE CAPITAL

<u>Authorised</u>	1995 £	1994 £
Equity interests:		
2 000 Ordinary shares of £1 each	<u>2 000</u>	<u>2 000</u>
<u>Allocated, called up and fully paid</u>		
Equity interests:		
2,000 Ordinary shares of £1 each	<u>2 000</u>	<u>2 000</u>

5. PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
Retained profits at 1 March 1994		
Profit for the financial year	127 531	125 146
	<u>18 453</u>	<u>2 385</u>
Retained profits at 28 February 1995	<u>145 984</u>	<u>127 531</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year		
Shareholders' funds at March 1994	18 453	2 385
	<u>276 118</u>	<u>273 733</u>
Shareholders' funds at 28 February 1995	<u>294 571</u>	<u>276 118</u>
Represented by:		
Equity interests	<u>294 571</u>	<u>276 118</u>
	<u>294 571</u>	<u>276 118</u>

CLEGG AND BROOKING LIMITED

MANAGEMENT INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 1995

CLEGG AND BROOKING LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 1995

	1995 £	£	1994 £	£
SALES				
COST OF SALES		982 604		1 246 455
Stocks at 1 March 1994				
Purchases	19 602 <u>766 479</u>		15 279 <u>989 966</u>	
Stocks at 28 February 1995	786 081 <u>(18 648)</u>		1 005 245 <u>(19 602)</u>	
GROSS PROFIT		(767 433)		(985 643)
DISTRIBUTION COSTS	21.9% 103 717	215 171	21.1% 108 078	260 812
ADMINISTRATIVE EXPENSES	<u>85 128</u>		<u>140 027</u>	
OTHER OPERATING INCOME		(188 845)		(248 105)
undry Income	<u>3 458</u>		<u>3 243</u>	
ERATING PROFIT		<u>3 458</u>		<u>3 243</u>
HER INCOME AND EXPENSES		29 784		15 950
terest Receivable: nk Deposit Interest	<u>297</u>		<u>556</u>	
terest Payable: k Interest n Interest e Purchase Interest erest on Overdue Tax	573 277 7 556 <u>49</u>	297	1 045 906 5 475 <u>-</u>	556
PROFIT FOR THE YEAR		(8 455)		(7 426)
	<u>21 626</u>			<u>9 080</u>

CLEGG BROOKING LIMITED

DISTRIBUTION AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 28 FEBRUARY 1995

DISTRIBUTION COSTS	<u>1995</u> £	<u>1994</u> £
Wages and Salaries		
Directors' remuneration	29 197	31 422
Motor Expenses	28 001	33 868
Hire of Equipment	46 519	42 580
	<u>-</u>	<u>208</u>
	<u>103 717</u>	<u>108 078</u>

ADMINISTRATIVE EXPENSES

Wages and Salaries		
Directors' Remuneration	367	-
Directors' Pension Scheme	14 743	17 276
Life Insurance	4 199	3 925
Rates	204	263
Insurance	2 956	4 255
Light and heat	14 876	25 376
Repairs and Maintenance	5 607	9 371
Printing, Postage and Stationery	5 716	7 247
Advertising	1 054	5 613
Telephone	2 507	-
Hire of Equipment	2 441	3 223
Legal and Professional	19	-
Audit and Accountancy	629	29
Bank Charges	4 147	6 884
Credit Card Charges	3 697	4 944
Trade Debts	4 303	5 429
Staff Welfare	-	(289)
Protective Clothing	-	131
General Expenses	-	148
Depreciation	485	205
Profit and Disposal of	42 860	47 244
Fixed Assets		
	<u>(25 682)</u>	<u>(1 247)</u>
	<u>85 128</u>	<u>140 027</u>