

CLEGG & BROOKING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

29 FEBRUARY 1996

COMPANY NO: 00780708



**HARRIS RULE
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
66-70 OXFORD STREET
SOUTHAMPTON
HAMPSHIRE
SO14 3DL**

CLEGG AND BROOKING LIMITED
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FOR THE YEAR ENDED 29 FEBRUARY 1996

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CLEGG AND BROOKING LIMITED

COMPANY INFORMATION

DIRECTORS

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

SECRETARY

Mrs T J Brooking

BUSINESS ADDRESS

White Horse Service Station
Middle Wallop
Stockbridge
Hampshire
SO20 8DZ

REGISTERED OFFICE

White Horse Service Station
Middle Wallop
Stockbridge
Hampshire
SO20 8DZ

AUDITORS

Harris Rule
Chartered Accountants and
Registered Auditors
66-70 Oxford Street
Southampton
Hampshire
SO14 3DL

PRINCIPAL BANKERS

Lloyds Bank plc
22 High Street
Andover
Hampshire

CLEGG AND BROOKING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 29 February 1996.

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 £5,372 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:

	Class of Share	No. of Shares	
		1996	1995
Mrs P V Brooking	Ordinary shares	264	264
R R Brooking	Ordinary shares	264	264
K J Clegg	Ordinary shares	264	264
Mrs J A Cook	Ordinary shares	387	387
J P Cook	Ordinary shares	217	217
K R J Brooking	Ordinary shares	387	387
Mrs T J Brooking	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 year. In preparing those financial statements, the directors are required to:

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

CLEGG AND BROOKING LIMITED
REPORT OF THE DIRECTORS (Cont)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Cont)

- c) 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 re-appointed in accordance with section 385 of the Companies Act 1985.

On behalf of the Board



Mrs J A Cook
Secretary

Date: 19/8/97

CLEGG AND BROOKING LIMITED**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 on page 6 of 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.

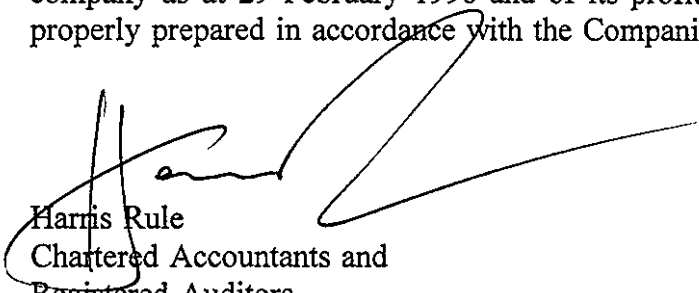
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by 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 affairs of the company as at 29 February 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Harris Rule
Chartered Accountants and
Registered Auditors
66-70 Oxford Street
Southampton
Hampshire
SO14 3DL

Date...19/8/97...

CLEGG AND BROOKING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 29 FEBRUARY 1996

	Notes	1996 £	1995 £
TURNOVER		1,032,200	986,062
Cost of sales		<u>(801,846)</u>	<u>(767,433)</u>
GROSS PROFIT		230,354	218,629
Distribution costs		(101,782)	(103,717)
Administrative expenses		<u>(111,576)</u>	<u>(85,128)</u>
OPERATING PROFIT	2	16,996	29,784
Other interest receivable and similar charges	3	150	297
Interest payable payable similar charges	4	<u>(9,376)</u>	<u>(8,455)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,770	21,626
Tax on profit on ordinary activities	7	<u>2,398</u>	<u>(3,173)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	16	<u><u>£5,372</u></u>	<u><u>£18,453</u></u>

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

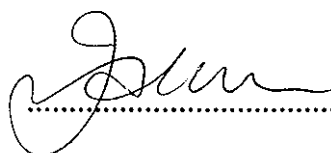
The company has no recognised gains or losses other than those dealt with in the profit and loss account.

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

CLEGG AND BROOKING LIMITED
BALANCE SHEET AT 29 FEBRUARY 1996

	Notes	1996	1995
		£	£
FIXED ASSETS			
Tangible assets	8	409,504	408,267
CURRENT ASSETS			
Stocks	9	27,793	18,648
Debtors	10	19,391	18,225
Cash at bank and in hand		<u>15,593</u>	<u>5,002</u>
		62,777	41,875
CREDITORS: amounts falling due within one year	11	<u>(94,867)</u>	<u>(88,079)</u>
NET CURRENT LIABILITIES		<u>(32,090)</u>	<u>(46,204)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		377,414	362,063
CREDITORS: amounts falling due after more than one year	12	(60,108)	(52,056)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(17,363)</u>	<u>(15,436)</u>
		<u>299,943</u>	<u>£294,571</u>
CAPITAL AND RESERVES			
Called up share capital	14	2,000	2,000
Revaluation reserve		146,587	146,587
Profit and loss account	15	<u>151,356</u>	<u>145,984</u>
		<u>£299,943</u>	<u>£294,571</u>

The financial statements were approved by the Board on ...19/8/97... and signed on its behalf by

 Director

The 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 29 FEBRUARY 1996

1. ACCOUNTING POLICIES

a. Basis of Accounting

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

b. Turnover

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

c. 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

d. Stock

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.

e. Deferred taxation

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

f. 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.

g. Pensions

Pensions 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 1996

2. OPERATING PROFIT

	1996	1995
The operating profit is stated after charging:		
Depreciation	51,161	42,860
Auditors' remuneration	4,000	2,937
Hire of equipment	<u>-</u>	<u>19</u>

3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Bank and other interest receivable	<u>150</u>	<u>297</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
On bank loans and overdrafts repayable in full within five years	1,946	850
On overdue tax	-	49
Hire purchase interest	<u>6,806</u>	<u>7,556</u>
	<u>8,752</u>	<u>8,455</u>

5. DIRECTORS AND EMPLOYEES

	1996 £	1995 £
Staff costs:-		
Wages and salaries	79,022	69,959
Social security costs	3,619	2,349
Other pension costs	<u>4,670</u>	<u>4,199</u>
	<u>87,311</u>	<u>76,507</u>

Directors' Emoluments:-	£	£
Remuneration for management services (including pension contributions)	<u>48,311</u>	<u>46,943</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amount to £4,670 (1995: £4,199). All contributions were paid in the year.

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 1996

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
UK Corporation tax at 25% (1995 - 25%)	471	-
Adjustment in respect of deferred tax	1,927	5,285
Over/under provision in previous years	<u>-</u>	<u>(2,112)</u>
	<u>2,398</u>	<u>3,173</u>

8. TANGIBLE ASSETS

	Plant & Machinery £	Land & Buildings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 March 1995	107,535	260,985	234,407	602,927
Additions	8,362	-	62,993	71,355
Disposals	<u>-</u>	<u>-</u>	<u>(61,624)</u>	<u>(61,624)</u>
At 29 February 1996	<u>115,897</u>	<u>260,985</u>	<u>235,776</u>	<u>612,658</u>
DEPRECIATION				
At 1 March 1995	69,499	46,267	78,894	194,660
Charge for year	7,623	4,019	39,519	51,161
On disposals	<u>-</u>	<u>-</u>	<u>(42,667)</u>	<u>(42,667)</u>
At 29 February 1996	<u>77,122</u>	<u>50,286</u>	<u>75,746</u>	<u>203,154</u>
NET BOOK VALUE				
At 29 February 1996	<u>38,775</u>	<u>210,699</u>	<u>160,030</u>	<u>409,504</u>
At 28 February 1995	<u>38,036</u>	<u>214,718</u>	<u>155,513</u>	<u>408,267</u>

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 1996

8. TANGIBLE ASSETS (continued)

Analysis of net book value of land and buildings:

	1996 £	1995 £
Freehold	<u>210.699</u>	<u>214.718</u>

Freehold land and buildings were re-stated at open market value at 30 November 1980 at £162,500. Subsequently additions have been included under the historic cost accounting rules. The amount stated for the item would be cost £114,398, depreciation at 29 February 1996 £21,840.

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

	1996 £	1995 £
Net book values:		
Motor vehicles	<u>155.758</u>	<u>143.588</u>
Depreciation charge for the year:		
Motor vehicles	<u>36.953</u>	<u>13.380</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

9. STOCKS

	1996 £	1995 £
Finished goods and goods for resale	<u>27.793</u>	<u>18.648</u>

10. DEBTORS

	1996 £	1995 £
Trade debtors	13,154	8,063
Other debtors	4,928	8,155
Prepayments and accrued income	<u>1,309</u>	<u>2,007</u>
	<u>19.391</u>	<u>18.225</u>

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 1996

11. CREDITORS: amounts falling due within one year

	1996 £	1995 £
Bank loans and overdrafts	39,574	34,855
Trade creditors	10,366	18,299
Corporation tax	32	-
Other Taxes and social security costs	1,043	2,464
Other creditors	11,272	2,965
Accruals and deferred income	5,885	4,468
Net obligations under finance lease and hire purchase contracts	<u>26,695</u>	<u>25,028</u>
	<u>94,867</u>	<u>88,079</u>

12. CREDITORS: amounts falling due after more than one year

	1996 £	1995 £
Net obligations under finance leases and hire purchase contracts	<u>60,108</u>	<u>52,056</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 24% (1995 - 25%) analysed over the following timing differences:

	Fully Provided 1996 £	1995 £
On the excess of capital allowances after depreciation	<u>17,363</u>	<u>15,436</u>

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

CLEGG AND BROOKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 1996

14. SHARE CAPITAL

	1996 £	1995 £
Authorised		
2,000 Ordinary Shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
2,000 Ordinary Shares of £1 each	<u>2,000</u>	<u>2,000</u>

15. PROFIT AND LOSS ACCOUNT

	1996 £	1995 £
Retained profits at 1 March 1995	145,984	127,531
Profit for the financial year	<u>5,372</u>	<u>18,453</u>
Retained profits at 29 February 1996	<u>£151,356</u>	<u>£145,984</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	5,372	18,453
Shareholders' funds at 1 March 1995	<u>294,571</u>	<u>276,118</u>
Shareholders' funds at 29 February 1996	<u>299,943</u>	<u>294,571</u>