

REGAL MOTORS (BILSTON) LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2000**

REGISTERED NUMBER: 1067821



REGAL MOTORS (BILSTON) LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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REGAL MOTORS (BILSTON) LIMITED

COMPANY INFORMATION AS AT 31 DECEMBER 2000

DIRECTORS

J D Jackson
P Jackson
Mrs J M Taylor

SECRETARY

Mrs V M Jackson

REGISTERED OFFICE

Oxford Street
Bilston
West Midlands

AUDITORS

Attwood & Co
Chartered Accountants
Harrison House
Marston Road
Wolverhampton

PRINCIPAL BANKERS

HSBC plc
3 Walsall Road
Darlaston
West Midlands

REGAL MOTORS (BILSTON) LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the operation and management of a motor dealership.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £23,473.

A review of the operations of the company during the financial year and the results of those operations are as follows:

The company has maintained its trading profitability in the period under review, despite difficult trading conditions. There has been substantial uncertainty in the car sales market during the period, as a result of a government enquiry into manufacturers' pricing policies. This has resulted in a decrease in consumer demand and more competitive pricing.

DIVIDENDS

The directors have paid an interim dividend during the year amounting to £16,000.

FUTURE DEVELOPMENTS

The likely developments in the operations of the company and the expected results of these operations in the financial years subsequent to the year ended 31 December 2000 are as follows:

The directors are aware that the external factors affecting the retail automobile industry, namely, EC imports and price reductions by the major motor manufacturers, which have now been resolved.

As a result of the conclusion of the above problems, the directors are confident that the business will show an improvement in profitability in the current period.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors do not consider that there will be any impact of the introduction of the single European currency upon the company.

DIRECTORS AND THEIR INTERESTS

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

		Number of Shares	
		2000	1999
J D Jackson	Ordinary shares	50	50
P Jackson	Ordinary shares	50	50
Mrs J M Taylor		-	-

REGAL MOTORS (BILSTON) LIMITED

DIRECTORS' REPORT

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

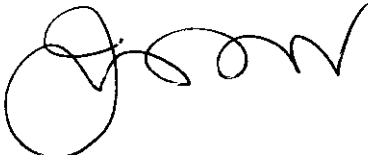
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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.

AUDITORS

The auditors, Attwood & Co, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:



Mrs J M Taylor
Director

Date: 17 December 2001

REGAL MOTORS (BILSTON) LIMITED

AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 19 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2000.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and that the abbreviated accounts have been properly prepared from those financial statements. 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 financial statements.

OPINION

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and the abbreviated accounts on pages 5 to 19 have been properly prepared in accordance with that provision.



**Attwood & Co
Chartered Accountants
Registered Auditors
Harrison House
Marston Road
Wolverhampton**

Date: 17 December 2001

REGAL MOTORS (BILSTON) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
GROSS PROFIT		1,206,923	1,221,387
Administrative expenses		1,135,716	1,284,809
OPERATING PROFIT / (LOSS)	2	71,207	(63,422)
Interest payable and similar charges	3	(34,458)	(18,140)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		36,749	(81,562)
Tax on profit / (loss) on ordinary activities	6	(13,276)	14,161
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		23,473	(67,401)
Dividends	7	(16,000)	(16,000)
RETAINED PROFIT / (ACCUMULATED LOSS) FOR THE FINANCIAL YEAR	16	7,473	(83,401)

Continuing operations

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

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 19 form part of these financial statements.

REGAL MOTORS (BILSTON) LIMITED**ABBREVIATED BALANCE SHEET
AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	8		787,446		795,548
Investments	9		1,000		1,000
			788,446		796,548
CURRENT ASSETS					
Stocks	10	1,028,482		920,729	
Debtors	11	384,949		438,791	
Cash at bank and in hand		499		541	
		1,413,930		1,360,061	
CREDITORS: amounts falling due within one year	12	(1,386,742)		(1,322,002)	
NET CURRENT ASSETS			27,188		38,059
TOTAL ASSETS LESS CURRENT LIABILITIES			815,634		834,607
CREDITORS: amounts falling due after more than one year			(118,618)		(124,228)
PROVISIONS FOR LIABILITIES AND CHARGES	14		(143,884)		(164,720)
NET ASSETS			553,132		545,659
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Profit and loss account	16		553,032		545,559
TOTAL SHAREHOLDERS' FUNDS	17		553,132		545,659

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board of directors on 17 December 2001 and signed on its behalf by:



Mrs J M Taylor
Director

The notes on pages 8 to 19 form part of these financial statements.

REGAL MOTORS (BILSTON) LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
Net cash inflow from operating activities	2	56,773	488,010
Returns on investments and servicing of finance	18	(34,458)	(18,140)
Taxation	18	3,711	(38,276)
Capital expenditure	18	(26,419)	(627,251)
Equity dividends paid		(16,000)	(16,000)
Cash outflow before use of liquid resources and financing		(16,393)	(211,657)
Financing	18	(4,710)	(12,794)
DECREASE IN CASH IN THE YEAR		(21,103)	(224,451)

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT**

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DECREASE IN CASH IN THE YEAR	(21,103)	(224,451)
Cash outflow from movement in debt and lease financing	4,710	12,794
Change in net debt resulting from cash flows	(16,393)	(211,657)
Movement in debt in the year	(16,393)	(211,657)
Net debt at 1 January 2000	(219,951)	(8,294)
Net debt at 31 December 2000	(236,344)	(219,951)

The notes on pages 8 to 19 form part of these financial statements.

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

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

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold buildings	4% on cost
Plant and machinery	10% on cost
Fixtures and fittings	10% on cost
Computer equipment	33.3% on cost

Stocks

Stocks are stated 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.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing and hire purchase commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension costs

The company operates a defined benefit pension scheme. Contributions payable to this scheme are charged to the profit and loss account so as to spread the cost of the pension over the employee's expected working life. The pension charge is calculated on the basis of actuarial advice. These contributions are invested separately from the company's assets.

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

2. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated	2000	1999
	£	£
After charging:		
Depreciation of fixed assets	30,721	18,995
Loss on disposal of tangible assets	3,800	-
Auditors' remuneration	6,500	6,800
Operating lease rentals		
Land and buildings	10,446	24,849
Exceptional items:		
Lease obligation provision	-	159,381

Reconciliation of operating profit to net cash inflow from operating activities

	2000	1999
	£	£
Operating profit / (loss)	71,207	(63,422)
Depreciation	30,721	18,995
Loss on disposal of fixed assets	3,800	-
(Increase) / decrease in stocks	(107,754)	27,194
Decrease / (increase) in debtors	36,754	(64,578)
Increase in creditors	42,781	410,440
Other differences between cash flow and profit	(20,736)	-
Exceptional items not involving cash flow		159,381
Net cash inflow from operating activities	56,773	488,010

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On overdue tax	52	-
Lease finance charges and hire purchase interest	864	-
Other interest	33,542	18,140
	34,458	18,140

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

4. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs		
Wages and salaries	718,091	677,656
Social security costs	62,519	60,786
Other pension costs	3,930	10,155
	784,540	748,597

	2000	1999
	No.	No.
The average number of employees during the year was made up as follows:		
Car sales	13	10
Service and parts	22	25
Administration	10	10
	45	45

	2000	1999
	£	£
Directors' emoluments		
Emoluments	31,764	30,800

	2000	1999
	No.	No.
During the year the following number of directors:		
Accrued benefits under defined benefit pension schemes	1	1

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

5. PENSION COSTS

Defined benefit scheme

The company operates a pension scheme based on final pensionable pay. The assets of the scheme are held separately from those of the company, in an independently administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employee's working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 5th April 2000.

The pension charge for the year was £3,930 (1999:£10,155).

The market value of the pension scheme assets at 5th April 2000 was £613,800 and this was sufficient to cover 147% of the value of the benefits that had accrued to members after allowing for future increases in expected earnings. The contributions of the company and employees is currently at 0% and 4% of earnings respectively. The surplus is to be spread over the remaining lives of the current employees and the actuaries have recommended the re-instatement of company contributions at 5.2% of earnings, which will reduce the surplus to a satisfactory level over the five year period following the valuation date.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge comprises:		
Current tax on income for the year	8,250	(19,500)
Adjustment in respect of prior years	5,126	-
	13,376	(19,500)
Transfer(from) / to deferred tax	(100)	3,836
Adjustment in respect of prior years deferred tax	-	1,503
	13,276	(14,161)

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

7. DIVIDENDS PAID OR PROPOSED

	2000	1999
	£	£
On ordinary shares:		
Interim dividends paid		
Dividend - ordinary shares	16,000	16,000

8. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost:				
At 1 January 2000	811,329	140,636	131,734	1,083,699
Additions	11,787	3,614	12,370	27,771
Disposals	-	(57,790)	(109,101)	(166,891)
At 31 December 2000	823,116	86,460	35,003	944,579
Depreciation:				
At 1 January 2000	97,625	73,998	116,528	288,151
Charge for year	17,666	9,142	3,913	30,721
On disposals	-	(60,230)	(101,509)	(161,739)
At 31 December 2000	115,291	22,910	18,932	157,133
Net book value:				
At 31 December 2000	707,825	63,550	16,071	787,446
At 31 December 1999	713,704	66,638	15,206	795,548

	2000	1999
	£	£
Analysis of net book value of land and buildings:		
Freehold	707,825	713,704

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

9. INVESTMENTS

Cost or valuation:	1 January 2000 and 31 December 2000
	£

Other investments	1,000
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Other investments other than loans

Shares in related undertakings:

Cost or valuation:	1 January 2000 and 31 December 2000
	£

Shares:

Group undertaking	1,000
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Net book value	1,000
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Financial information summary:

Name and country of incorporation	Type of shareholding	Proportion held
Central Motors (Moxley) Ltd	Ordinary shares	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year were as follows:-

	Capital and reserves	Results
	£	£
Central Motors (Moxley) Limited	6,533	-

Central Motors (Moxley) Limited is a non-trading company, it did not trade during the year under review and has not traded for several years.

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

10. STOCKS

	2000	1999
	£	£
Finished goods and goods for resale	1,028,482	920,729

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

11. DEBTORS

	2000	1999
	£	£
Trade debtors	186,241	179,047
Other debtors	26,405	76,137
Prepayments and accrued income	187,608	183,607
	<u>400,254</u>	<u>438,791</u>

12. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	107,575	86,514
Trade creditors	807,910	702,054
Corporation tax	8,250	-
Other taxes and social security costs	21,692	19,402
Other creditors	379,409	341,216
Accruals and deferred income	70,156	172,816
	<u>1,394,992</u>	<u>1,322,002</u>

Bank overdrafts amounting to £107,575 (1999 £86,514) are secured by a fixed and floating charge on all the assets of the company.

Other creditors includes an amount in the sum of £320,000 (1999 £303,904) which is secured by a charge on the company's vehicle stock.

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

13. BORROWINGS

	2000	1999
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	463,685	403,168
After five years	-	79,853
	463,685	483,021

Borrowings: amounts due after 5 years

Not repayable by instalments

Unsecured loan, interest payable at 2% over bank
base rate

- 79,853

- 79,853

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2000	1999
	£	£
Provision for leasing obligation		
Balance at 1 January 2000	159,381	-
Increase during the year	-	159,381
Decrease during the year	(20,736)	-
Balance at 31 December 2000	138,645	159,381
Deferred taxation (see below)		
Balance at 1 January 2000	5,339	-
Transferred from profit and loss account	100	(5,339)
	5,239	5,339
Total provision for liabilities and charges	143,884	164,720

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

14. PROVISIONS FOR LIABILITIES AND CHARGES - (continued)

	Fully provided	
	2000	1999
	£	£
Deferred tax is calculated at 20% (1999 - 21%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	5,239	5,339

The provision for lease obligations amounting to £143,884 (1999 £159,381) represents the future obligations for annual rentals for the remainder of the lease term. The amount provided is based on known costs discounted to their present value. The lease relates to premises which the company vacated during the previous financial year.

15. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	100	100

16. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit as at 1 January 2000	545,559	628,960
Profit / (loss) for the year	7,473	(83,401)
Retained profit as at 31 December 2000	553,032	545,559

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit / (loss) for the year	23,473	(67,401)
Dividends	(16,000)	(16,000)
Net addition / (reduction) to shareholders' funds	7,473	(83,401)
Opening shareholders' funds	545,659	629,060
Closing shareholders' funds	553,132	545,659
Represented by:-		
Equity interests	553,132	545,659

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000	1999
	£	£
Returns on investments and servicing of finance		
Interest paid	(33,594)	(18,140)
Interest element of finance lease rental payments	(864)	-
Net cash outflow from returns on investments and servicing of finance	(34,458)	(18,140)
Taxation		
Corporation tax paid	-	(38,276)
Corporation tax received	3,711	-
Net cash inflow / (outflow) from taxation	3,711	(38,276)
Capital expenditure		
Purchase of tangible fixed assets	(27,771)	(627,251)
Receipts from sale of tangible fixed assets	1,352	-
Net cash outflow from capital expenditure	(26,419)	(627,251)

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - (continued)

	2000 £	1999 £
Financing		
New long-term loans	5,879	-
Repayments of long term loans	(10,589)	(12,794)
Net cash outflow from financing	(4,710)	(12,794)

19. ANALYSIS OF CHANGES IN NET DEBT

	1999 £	Cash flow £	Other movements £	2000 £
Cash at bank and in hand	541	(42)	-	499
Bank overdraft	(86,514)	(21,061)	-	(107,575)
Debt due within one year	(9,750)	-	(900)	(10,650)
Debt due after one year	(124,228)	4,710	900	(118,618)
	(219,951)	(16,393)	-	(236,344)

	1998 £	Cash flow £	Other movements £	1999 £
Cash at bank and in hand	146,699	(146,158)	-	541
Bank overdraft	(8,221)	(78,293)	-	(86,514)
Debt due within one year	-	-	(9,750)	(9,750)
Debt due after one year	(146,772)	12,794	9,750	(124,228)
	(8,294)	(211,657)	-	(219,951)

REGAL MOTORS (BILSTON) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

20. REVENUE COMMITMENTS

At the year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
More than one year and less than five years	9,744	9,744	-	-
More than five years	21,600	21,600	-	-
	31,344	31,344	-	-