

Alan Myerscough Limited
Company number 2027076

- Abbreviated accounts -

For the year to 30th June 1998



COMPANIES HOUSE 22/02/99

J L WINDER & CO
CHARTERED ACCOUNTANTS

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Alan Myerscough Limited
Abbreviated accounts
For the year to 30th June 1998

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Alan Myerscough Limited
Company information
For the year to 30th June 1998

Incorporated in England on 9th July 1986

Company no	2027076
Directors	Mr Alan Myerscough Mrs Margaret Alice Myerscough Mr Nigel Myerscough
Secretary	Mr Alan Myerscough
Registered office	The Ellers Ulverston Cumbria LA12 0AA
Bankers	National Westminster Bank plc Ramsden Square Barrow in Furness Cumbria LA14 1LN
Auditors	J L Winder & Co Chartered Accountants 125 Ramsden Square Barrow in Furness Cumbria LA14 1XA

Alan Myerscough Limited
Directors' report
For the year to 30th June 1998

The directors present their annual report with the accounts of the company for the year ended 30th June 1998.

Principal activity

The principal activity of the company during the year was that of motor dealers.

Review of business

During the year the turnover decreased by £362124 from £3945910 to £3583786 mainly due to a fall in car sales, however there was an increase in the gross profit margin of approximately 1%.

Although expenses have increased slightly during the year the profit before tax has increased from £89485 to £92924.

Results and dividend

The profit for the financial year after taxation amounted to £72772 (1997-£69982).

A dividend of £150 per share was paid during the year (1997 - £800) leaving £57772 to be transferred to reserves, (1997 - £10018 transferred from reserves).

Fixed assets

Expenditure on fixed assets during the year amounted to £522043 (1997-£668945). The movement of fixed assets during the year is set out in note 6 to the accounts.

Directors and their interests

The directors' interests in the £1 ordinary shares of the company remained unchanged throughout the year and are as follows:-

A Myerscough	98
Mrs M A Myerscough	1
N Myerscough	<u>1</u>
	<u>100</u>

Alan Myerscough Limited

Directors' report For the year to 30th June 1998 continued

Directors' responsibilities

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that year.

In preparing these financial statements we have:

- selected suitable accounting policies and applied them consistently;
- made reasonable and prudent judgements and estimates;
- stated whether applicable accounting standards have been followed;
- prepared the financial statements on a going concern basis;

We have also accepted responsibility for:

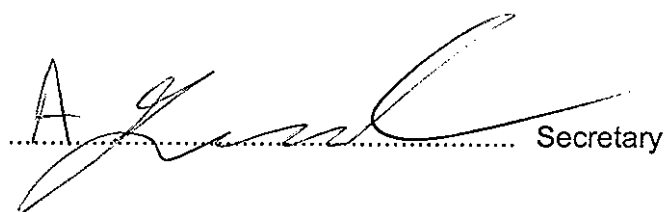
- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Auditors

The auditors, Messrs J L Winder and Company, Chartered Accountants are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 6th June 1995.

In accordance with section 253(1) Companies Act 1985, the company hereby gives notice that any member can, by giving notice in writing to the company at its registered office within 28 days from the date that the accounts were sent out, requisition the directors of the company to convene a general meeting for the purposes of laying the accounts and reports before the company.

By order of the board of directors.

 Secretary

Date 18th February 1999

Company number 2027076
Auditors' report to Alan Myerscough Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 5 to 13 together with the financial statements of the company for the year ended 30th June 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

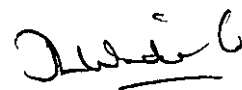
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 13 are properly prepared in accordance with that provision.



18th February 1999

Registered auditors

Alan Myerscough Limited

**Abbreviated profit and loss account
For the year to 30th June 1998**

	Notes	1998 £	1997 £
Gross profit		345425	336285
Administrative expenses		<u>201704</u>	<u>192520</u>
Operating profit	2	143721	143765
Interest receivable		<u>7</u>	<u>3</u>
		143728	143768
Interest payable	4	<u>50804</u>	<u>54283</u>
Profit on ordinary activities before taxation		92924	89485
Tax on profit on ordinary activities	5	<u>20152</u>	<u>19503</u>
Profit for the financial year		72772	69982
Dividends paid		<u>15000</u>	<u>80000</u>
Profit/(loss) for the financial year		57772	(10018)
Retained profit brought forward		<u>464530</u>	<u>474548</u>
Retained profit carried forward		£ <u>522302</u>	£ <u>464530</u>

Alan Myerscough Limited

Abbreviated balance sheet As at 30th June 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	6		749565		869824
Current assets					
Stocks	7	528115		466562	
Debtors	8	243235		157898	
Cash at bank and in hand		<u>27631</u>		<u>327</u>	
		798981		624787	
Creditors					
Amounts falling due within one year	9	<u>981753</u>		<u>979110</u>	
Net current liabilities			(182772)		(354323)
Total assets less current liabilities			566793		515501
Creditors					
Amounts falling due after more than one year	10		(11139)		(29139)
Provisions for liabilities and charges	11		(33252)		(21732)
			<u>£522402</u>		<u>£464630</u>
Capital and reserves					
Authorised share capital 1000 ordinary shares of £1 each			£ <u>1000</u>		£ <u>1000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each			100		100
Profit and loss account			<u>522302</u>		<u>464530</u>
	12		<u>£522402</u>		<u>£464630</u>

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to medium sized companies.

Signed on behalf of the board of directors

Alan Myerscough

Approved on 18/2/99

Alan Myerscough Limited

**Cash flow statement
For the year to 30th June 1998**

	Notes	£	1998 £	£	1997 £
Net cash inflow from operating activities	13		81921		166734
Returns on investments and servicing of finance					
- interest received	7			3	
- interest paid		(50804)	(50797)	(54283)	(54280)
Taxation			(13572)		(25343)
Capital expenditure					
Payments to acquire tangible fixed assets		522043		668945	
Receipts from sales of tangible fixed assets		(322971)		(369090)	
Transfer of fixed assets to stock		(315207)		(183338)	
			116135		(116517)
			133687		(29406)
			(15000)		(80000)
Equity dividends paid			118687		(109046)
Financing					
-repayment of Ford credit conditional sale agreements		(172500)		(37975)	
-repayment of Ford credit stocking loan		—		(250000)	
			(172500)		(287975)
			(53813)		(397381)
Decrease in cash					
Reconciliation of net cash flow to movement in net debt					
Increase/(decrease) in cash in the period					
- Cash in hand and at bank		27304		(126510)	
- Overdrafts		(99117)		(288871)	
			(71813)		(415381)
Cash repaying bank loan - due after one year			18000		18000
Change in net debt			(53813)		(397381)
Net (debt)/funds at 1st July 1997			(335683)		61698
Net debt at 30th June 1998					
- Cash in hand and at bank		27631		327	
- Overdraft		(387988)		(288871)	
- Debt due within one year		(18000)		(18000)	
- Debt due after one year		(11139)		(29139)	
			(389496)		(335683)

Alan Myerscough Limited

Abbreviated notes to the accounts For the year to 30th June 1998

1 Accounting policies

(a) Basis of accounting

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

(b) Turnover

Turnover represents the total value of goods sold and income received from third parties, excluding value added tax. Any changes in work in progress are adjusted through turnover.

(c) Depreciation

Depreciation is provided for in order to write off the cost of tangible fixed assets over their expected useful lives at the following rates:-

Buildings	1%
Equipment and tools	20%
Fixtures and fittings	10%
Computer equipment	25%
Hire car fleet	20%
Motor vehicles	20%

(d) Stocks and work in progress

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

(e) Deferred taxation

Deferred taxation (based on the liability method) represents the estimated taxation which would be payable on a disposal of fixed assets at the amounts included in the balance sheet together with provisions for tax resulting from the different treatment for accounts and taxation purposes of certain provisions.

(f) Operating leases

Operating lease rentals are charged to the profit and loss account as incurred.

(g) Pension costs

The company operates a defined contribution pension scheme, the contributions are charged to the profit and loss account in the year in which they are paid.

Alan Myerscough Limited

Abbreviated notes to the accounts For the year to 30th June 1998 continued

2	Operating profit	1998	1997
		£	£

The operating profit is stated after charging:-

Depreciation:-

- owned assets	17670	18712
- assets acquired under conditional sale agreements	-	975
Directors' remuneration (including benefits in kind and pension contributions)	37398	37314
Audit fees (including accountancy)	<u>7200</u>	<u>7100</u>

The amount charged to the profit and loss account for the directors in respect of the defined contribution pension scheme was £4065 (1997 £4020). There were three directors accruing benefits under a money purchase scheme (1997 - 3).

3 Staff costs

Staff costs including directors comprise:-

Wages and salaries	297388	304828
Social security costs	24097	26481
Other pension costs	<u>6881</u>	<u>8094</u>
	<u>328366</u>	<u>339403</u>

The average weekly number of employees during the year was as follows:-

Office	9	9
Workshop	14	15
Sales staff	<u>8</u>	<u>8</u>
	<u>31</u>	<u>32</u>

4 Interest payable and similar charges

Bank loan and overdraft	17927	11641
Conditional sale agreements	17341	16151
Directors' loans	12993	12993
Other interest	<u>2543</u>	<u>13498</u>
	<u>50804</u>	<u>54283</u>

5 Taxation

The taxation charge which is based on the profit for the year comprises:-

UK corporation tax	10997	13571
Deferred taxation	<u>9155</u>	<u>5932</u>
	<u>20152</u>	<u>19503</u>

Alan Myerscough Limited
Abbreviated notes to the accounts
For the year to 30th June 1998

6 Tangible fixed assets

Cost	Freehold land and buildings	Equipment and tools	Fixtures and fittings	Computer equipment	Hire car fleet	Motor vehicles	Total
At 1st July 1997	537259	112250	18113	23898	352322	19759	1063601
Additions	-	475	-	1277	520291	-	522043
Disposals (proceeds £296758)	-	-	-	-	(318332)	-	(318332)
Transfer to stock	-	-	-	-	(315207)	-	(315207)
At 30th June 1998	<u>£537259</u>	<u>£112725</u>	<u>£18113</u>	<u>£25175</u>	<u>£239074</u>	<u>£19759</u>	<u>£952105</u>

Depreciation

At 1st July 1997	26232	95751	9855	21492	32663	7784	193777
Charge for the year	4372	5852	1812	1080	(480)	3832	16468
Disposals	-	-	-	-	(7705)	-	(7705)
At 30th June 1998	<u>£ 30604</u>	<u>£101603</u>	<u>£11667</u>	<u>£22572</u>	<u>£ 24478</u>	<u>£11616</u>	<u>£202540</u>

Net book value

At 30th June 1998	<u>£506655</u>	<u>£ 11122</u>	<u>£ 6446</u>	<u>£ 2603</u>	<u>£214596</u>	<u>£ 8143</u>	<u>£749565</u>
At 30th June 1997	<u>£511027</u>	<u>£ 16499</u>	<u>£ 8258</u>	<u>£ 2406</u>	<u>£319659</u>	<u>£11975</u>	<u>£869824</u>

The land in Freehold land and buildings is considered by the directors to have cost £100000. Included in the hire car fleet are vehicles acquired under conditional sale agreements having a net book value of £NIL (1997 - £171778).

Alan Myerscough Limited

Abbreviated notes to the accounts **For the year to 30th June 1998** **(continued)**

7	Stocks and work in progress	1998 £	1997 £
	Cars	494066	433301
	Parts	31956	32791
	Work in progress	<u>2093</u>	<u>470</u>
		<u>528115</u>	<u>466562</u>
 8	 Debtors		
	Trade debtors	215872	121725
	Prepayments	18751	17444
	Other debtors	8612	10403
	Corporation tax	<u>-</u>	<u>8326</u>
		<u>243235</u>	<u>157898</u>
 9	 Creditors - amounts falling due within one year:-		
	Bank loan	18000	18000
	Bank overdraft	387988	288871
	Ford Credit conditional sale agreements	-	172500
	Trade creditors	102630	89254
	Directors' current accounts	432493	327114
	Corporation tax	7247	1897
	Social security and other taxes	17738	67501
	Other creditors	14984	13206
	Accruals	<u>673</u>	<u>767</u>
		<u>981753</u>	<u>979110</u>

Directors' current accounts include the sum of £129935 lent to the company by N and M Myerscough on which interest at 10% per annum is payable.

10 Creditors - amounts falling due after more than one year:-

Bank loan:-

Repayable within 1-2 years	11139	18000
Repayable within 2-5 years	<u>-</u>	<u>11139</u>
	<u>£11139</u>	<u>£29139</u>

The interest rate payable on the loan is linked to the base rate of the National Westminster Bank.

Alan Myerscough Limited

**Abbreviated notes to the accounts
For the year to 30th June 1998
(continued)**

11 Provision for liabilities and charges

	Deferred tax	Guarantee provision	Total
Balance at 1st July 1997	15862	5870	21732
Transfer from profit and loss account	<u>9155</u>	<u>2365</u>	<u>11520</u>
Balance at 30th June 1998	<u>25017</u>	<u>8235</u>	<u>33252</u>

Deferred taxation:-

The amount provided and the total
potential deferred taxation is as follows:-

	1998 £	1997 £
Accelerated capital allowances	18915	10635
Workshop allowances	<u>6102</u>	<u>5228</u>
	<u>25017</u>	<u>15863</u>

The capital gain realised on the sale of properties in previous years has been rolled over into the freehold property known as The Ellers Garage. There is no deferred tax liability as the indexation allowance on The Ellers Garage to date exceeds the gain rolled over.

12 Reconciliation of shareholders' funds

	1998 £	1997 £
Profit for the year	72772	69982
dividends paid	<u>(15000)</u>	<u>(80000)</u>
Net addition to/(subtraction from) shareholders' funds	57772	(10018)
Opening shareholders' funds	<u>464630</u>	<u>474648</u>
Closing shareholders' funds	<u>522402</u>	<u>464630</u>

Alan Myerscough Limited

Abbreviated notes to the accounts **For the year to 30th June 1998** **(continued)**

13 Reconciliation of operating profit to net cash inflow from operation activities

	1998 £	1997 £
Operating profit	143721	143765
Depreciation charges/gain on sale	4123	2921
Increase/(decrease) in provision for guarantees	2366	(118)
(Increase) in stocks	(61553)	(136043)
(Increase)/decrease in debtors	(93663)	19604
Increase in creditors	<u>86927</u>	<u>136605</u>
Net cash inflow from operating activities	<u>81921</u>	<u>166734</u>

14 Security

As part of their security the bank have a legal mortgage over The Ellers Garage and a mortgage debenture over the other assets of the company. The total net liability to the bank at 30th June 1998 amounted to £417127 (1997 - £336010). Ford Credit holds as security a first charge in priority to the bank on the hire car fleet and vehicle stock. The total liability to Ford Credit at 30th June 1998 amounted to £NIL (1997 - £172500).

15 Transactions with directors

Some land owned by Mr A Myerscough is leased, rent free, to the company with the company paying all annual outgoings.

16 Contingent liability

At the year end the company was committed to re-purchase over the next three years cars sold through the motability scheme at an agreed value totalling £298230 (1997 - £289730).

After being re-purchased these cars will be brought into stock and then re-sold. The directors consider that these cars will be sold for a sum in excess of their purchase costs.

17 Control relationship

The company was controlled throughout the current and previous period by Mr A Myerscough (one of the directors) by virtue of his 98% holding of the ordinary shares of the company.