

Alan Myerscough Limited
Company number 2027076

-Abbreviated accounts-

For the year to 30th June 1999



J L WINDER & CO
CHARTERED ACCOUNTANTS

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Alan Myerscough Limited

**Abbreviated accounts
For the year to 30th June 1999**

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Alan Myerscough Limited
Company information
For the year to 30th June 1999

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 1999

The directors present their annual report with the accounts of the company for the year ended 30th June 1999.

Principal activity

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

Review of business

During the year turnover decreased from £3583786 to £3391995 mainly due to a fall in car sales and there was a decrease in the gross profit margin of approximately 0.5%.

Expenses have increased during the year and the profit before tax has decreased from £92924 to £53832. The directors are confident that the results for the year to 30th June 2000 will show an improved trading result.

Results and dividend

The profit for the financial year after taxation amounted to £43443 (1998 £72772).

It was decided not to declare a dividend, £43443 is to be transferred to reserves (1998 £57772).

Fixed assets

Expenditure on fixed assets during the year amounted to £477549 (1998 £522043). 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>

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.

Alan Myerscough Limited

**Directors' report
For the year to 30th June 1999
(continued)**

Year 2000

The company fully reviewed the company's systems to assess the likely extent of the impact of year 2000 issue on the company and the risks that it faced. No significant expenditure was incurred. In the event the company has not experienced any problems.

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) CA85, 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 purpose of laying the accounts and reports before the company.

By order of the board of directors


..... Secretary

Date 6-4-2000

Company number 2027076
Auditors' report to the shareholders of
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 1999 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 246(A) 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 sections 246(A)3 of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions 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 sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 13 are properly prepared in accordance with those provisions.



**Chartered Accountants
and Registered Auditors**

18th April 2000

Alan Myerscough Limited
Profit and loss account
For the year to 30th June 1999

	Notes	1999 £	1998 £
Turnover		3391995	3583786
Cost of sales		<u>3118601</u>	<u>3269841</u>
Gross profit		273394	313945
Administrative expenses		<u>183928</u>	<u>170224</u>
Operating profit	2	89466	143721
Interest receivable		<u>2</u>	<u>7</u>
		89468	143728
Interest payable	4	<u>35636</u>	<u>50804</u>
Profit on ordinary activities before taxation		53832	92924
Tax on profit on ordinary activities	5	<u>10389</u>	<u>20152</u>
Profit for the financial year		43443	72772
Dividends paid		<u>-</u>	<u>15000</u>
Profit for the financial year		43443	57772
Retained profit brought forward		<u>522302</u>	<u>464530</u>
Retained profit carried forward		<u>565745</u>	<u>522302</u>

Total recognised gains and losses

The company had no recognised gains and losses other than the profit for the year.

Continuing operations

There were no acquisitions and no discontinued operations in the year.

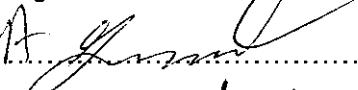
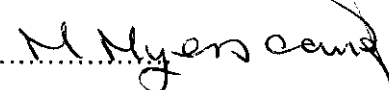
Alan Myerscough Limited

**Abbreviated balance sheet
As at 30th June 1999**

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	6		709563		749565
Current assets					
Stocks	7	583513		528115	
Debtors	8	169661		243235	
Cash at bank and in hand		<u>84956</u>		<u>27631</u>	
		838130		798981	
Creditors					
Amounts falling due within one year	9	<u>945586</u>		<u>981753</u>	
Net current assets			<u>(107456)</u>		<u>(182772)</u>
Total assets less current liabilities			602107		566793
Creditors					
Amounts falling due after more than one year	10		-		(11139)
Provisions for liabilities and charges	11		<u>(36262)</u>		<u>(33252)</u>
			<u>565845</u>		<u>522402</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>565745</u>		<u>522302</u>
			<u>565845</u>		<u>522402</u>

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

Signed on behalf of the board of directors

Approved on 6-4-2000

Alan Myerscough Limited

**Abbreviated cash flow statement
For the year to 30th June 1999**

	1999 £	1999 £	1998 £	1998 £
Net cash inflow from operating activities		75571		81921
Returns on investments and servicing of finance				
- interest received	2		7	
- interest paid	<u>(35636)</u>		<u>(50804)</u>	
		(35634)		(50797)
Taxation		(10997)		(13572)
Capital expenditure				
Payments to acquire tangible fixed assets	477549		522043	
Receipts from sales of tangible fixed assets	<u>(342717)</u>		<u>(322971)</u>	
Transfer of fixed assets to and from stock	<u>(189793)</u>		<u>(315207)</u>	
		<u>54961</u>		<u>116135</u>
		83901		133687
Equity dividends paid		<u>-</u>		<u>(15000)</u>
		83901		118687
Financing				
- repayment of Ford credit conditional sale agreements		<u>-</u>		<u>(172500)</u>
Increase/(decrease) in cash		<u><u>83901</u></u>		<u><u>(53813)</u></u>
 Reconciliation of net cash flow to movement in net debt				
Increase/(decrease) in cash in the period				
- Cash in hand and at bank	57325		27304	
- Overdrafts	<u>(2563)</u>		<u>(99117)</u>	
		54762		(71813)
Cash repaying bank loan		<u>29139</u>		<u>18000</u>
Change in net debt		83901		(53813)
Net debt at 1 st July 1998		<u>(389496)</u>		<u>(335683)</u>
 Net debt at 30 th June 1999				
- Cash in hand and at bank	84956		27631	
- Overdraft	<u>(390551)</u>		<u>(387988)</u>	
- Debt due within one year	-		(18000)	
- Debt due after one year	<u>-</u>		<u>(11139)</u>	

Alan Myerscough Limited

Notes to the abbreviated accounts For the year to 30th June 1999

1. Accounting policies

Basis of accounting

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

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.

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%

Stocks and work in progress

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

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.

Operating leases

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

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

Notes to the abbreviated accounts For the year to 30th June 1999

2. Operating profit

	1999 £	1998 £
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The operating profit is stated after charging:-

Depreciation	16530	16468
Directors' remuneration (including benefits in kind and pension contributions)	39092	37398
Audit fees (including accountancy)	<u>7200</u>	<u>7200</u>

The amount charged to the profit and loss account for the directors in respect of the defined contribution pension scheme was £4459 (1998 - £4065). There were three directors accruing benefits under a money purchase scheme (1998 - 3).

3. Staff costs

Staff costs including directors comprise:-

Wages and salaries	315628	297388
Social security costs	27798	24097
Other pension costs	<u>7795</u>	<u>6881</u>
	<u>351221</u>	<u>328366</u>

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

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

4. Interest payable and similar charges

Bank loan and overdraft	22585	17927
Conditional sale agreements	(18)	17341
Directors' loans	12993	12993
Other interest	<u>76</u>	<u>2543</u>
	<u>35636</u>	<u>50804</u>

5. Taxation

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

UK Corporation tax	6523	10997
Deferred taxation	<u>3866</u>	<u>9155</u>
	<u>10389</u>	<u>20152</u>

Alan Myerscough Limited

Notes to the abbreviated accounts For the year to 30th June 1999

6. Tangible fixed assets

	Freehold land and buildings	Equipment and tools	Fixtures and fittings	Computer equipment	Hire car fleet	Motor vehicles	Total
Cost							
At 1 st July 1998	537259	112725	18113	25175	239074	19759	952105
Additions	3000	891	-	11314	462344	-	477549
Transfer from stock	-	-	-	-	8285	-	8285
Disposals (proceeds £342717)	-	-	-	-	(316407)	(1400)	(317807)
Transfer to stock	-	-	-	-	(198078)	-	(198078)
At 30 th June 1999	<u>540259</u>	<u>113616</u>	<u>18113</u>	<u>36489</u>	<u>195218</u>	<u>18359</u>	<u>922054</u>
Depreciation							
At 1 st July 1998	30604	101603	11667	22572	24478	11616	202540
Charge for the year	4402	4502	1812	3741	(826)	2899	16530
Disposals	-	-	-	-	(6579)	-	(6579)
At 30 th June 1999	<u>35006</u>	<u>106105</u>	<u>13479</u>	<u>26313</u>	<u>17073</u>	<u>14515</u>	<u>212491</u>
Net book value							
At 30 th June 1999	<u>505253</u>	<u>7511</u>	<u>4634</u>	<u>10176</u>	<u>178145</u>	<u>3844</u>	<u>709563</u>
At 30 th June 1998	<u>506655</u>	<u>11122</u>	<u>6446</u>	<u>2603</u>	<u>214596</u>	<u>8143</u>	<u>749565</u>

The land in freehold land and buildings is considered by the directors to have cost £100000.

Alan Myerscough Limited

Notes to the abbreviated accounts For the year to 30th June 1999 (continued)

7. Stocks and work in progress	1999 £	1998 £
Cars	548345	494066
Parts	34351	31956
Work in progress	<u>817</u>	<u>2093</u>
	<u>583513</u>	<u>528115</u>

8. Debtors		
Trade debtors	142154	215872
Prepayments	18912	18751
Other debtors	<u>8595</u>	<u>8612</u>
	<u>169661</u>	<u>243235</u>

9. Creditors – amounts falling due within one year:-

Bank loan	-	18000
Bank overdraft	390551	387988
Trade creditors	75104	102630
Directors' current accounts	404491	432493
Corporation tax	6523	7247
Social security and other taxes	56016	17738
Other creditors	12206	14984
Accruals	<u>695</u>	<u>673</u>
	<u>945586</u>	<u>981753</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	<u>-</u>	<u>11139</u>
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The interest rate payable on the loan is linked to the base rate of the National Westminster Bank.

Alan Myerscough Limited

**Notes to the abbreviated accounts
For the year to 30th June 1999
(continued)**

11. Provision for liabilities and charges

	Deferred tax	Guarantee provision	Total
Balance at 1 st July 1998	25017	8235	33252
Transfer from profit and loss account	<u>3866</u>	<u>(856)</u>	<u>3010</u>
Balance at 30 th June 1999	<u>28883</u>	<u>7379</u>	<u>36262</u>

Deferred taxation:-

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

	1999 £	1998 £
Accelerated capital allowances	22274	18915
Workshop allowances	<u>6609</u>	<u>6102</u>
	<u>28883</u>	<u>25017</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

	1999 £	1998 £
Profit for the year	43443	72772
Dividends paid	<u>-</u>	<u>(15000)</u>
Net addition to/(subtraction from) shareholders' funds	43443	57772
Opening shareholders' funds	<u>522402</u>	<u>464630</u>
Closing shareholders' funds	<u>565845</u>	<u>522402</u>

Alan Myerscough Limited

Notes to the abbreviated accounts For the year to 30th June 1999 (continued)

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

	1999 £	1998 £
Operating profit	89466	143721
Depreciation charges/gain on sale	(14959)	4123
Decrease/(increase) in provision for guarantees	(856)	2366
(Increase) in stocks	(55398)	(61553)
Decrease/(increase) in debtors	73574	(93663)
(Decrease)/increase in creditors	(16256)	86927
Net cash inflow from operating activities	<u>75571</u>	<u>81921</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 1999 amounted to £305645 (1998 - £389546). 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 1999 amounted to £NIL (1998 - £NIL).

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 totaling y £263680 (1998 - £298230).

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.