Company Registration No. 2546521 (England and Wales)

# STANDSET LIMITED

## ANNUAL REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2002




A43
COMPANIES HOUSE
0728
03/03/04

# STANDSET LIMITED

## DIRECTORS AND ADVISERS

| | |
|---|---|
| **Directors** | A K Jones<br>K Smith<br>A R Meader<br>F P J Townsend<br>T D Willoughby (Appointed 1 March 2003) |
| **Secretary** | *T D Willoughby* |
| **Company number** | 2546521 |
| **Registered office** | Charter Court<br>Third Avenue<br>Southampton<br>Hampshire<br>SO15 0AP |
| **Registered auditors** | HLB AV Audit Plc<br>Charter Court<br>Third Avenue<br>Southampton<br>Hampshire<br>SO15 0AP |
| **Bankers** | Barclays Bank plc<br>PO Box 612<br>Barclays House<br>Ocean Way<br>Southampton<br>Hampshire<br>SO14 2ZP |

# STANDSET LIMITED

## CONTENTS


| | Page |
|---|---|
| Directors' report | 1 - 2 |
| Auditors' report | 3 |
| Consolidated profit and loss account | 4 |
| Balance sheets | 5 - 6 |
| Consolidated cash flow statement | 7 |
| Notes to the consolidated cash flow statement | 8 |
| Notes to the financial statements | 9 - 22 |

# STANDSET LIMITED

## DIRECTORS' REPORT
## *FOR THE YEAR ENDED 31 DECEMBER 2002*

The directors present their report and financial statements for the year ended 31 December 2002.

**Directors**
The following directors have held office since 1 January 2002:

A K Jones
K Smith
A R Meader
F P J Townsend
T D Willoughby (Appointed 1 March 2003)

**Principal activities and review of the business**
The principal activity of the group is that of garage proprietors, manufacture of motor homes and a motor vehicle converter. The principle of the company is that of a holding company.

The directors consider the results for the group for the year to be satisfactory

**Results and dividends**
The consolidated profit and loss account for the year is set out on page 4.

**Directors' interests**
The directors' interests in the shares of the company and other group companies were as stated below:

| | Ordinary shares of 10p each | |
|---|---|---|
| | **31 December 2002** | **1 January 2002** |
| A K Jones | 8,000 | 8,000 |
| K Smith | 1,000 | 1,000 |
| A R Meader | 182 | 182 |
| F P J Townsend | 215 | 215 |
| T D Willoughby (Appointed 1 March 2003) | - | - |

**Auditors**
In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB AV Audit Plc be reappointed as auditors of the company will be put to the Annual General Meeting.

## DIRECTORS' REPORT (CONTINUED)
## *FOR THE YEAR ENDED 31 DECEMBER 2002*

**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 and of the group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



A K Jones
**Director**
27 February 2004

# STANDSET LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STANDSET LIMITED

We have audited the financial statements of Standset Limited on pages 4 to 22 for the year ended 31 December 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

*As described in the statement of directors' responsibilities on page 2 the company's directors are responsible* for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 and the group'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 the company's and the group's affairs as at 31 December 2002 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB AV Audit plc

**HLB AV Audit Plc**
**Registered Auditor**

27 February 2004
Charter Court
Third Avenue
Southampton
Hampshire
SO15 0AP

# STANDSET LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT
## *FOR THE YEAR ENDED 31 DECEMBER 2002*

| | Notes | 2002 £ | 2001 £ |
|---|---|---|---|
| **Turnover** | 1 | 30,928,426 | 26,297,046 |
| Cost of sales | | (26,249,289) | (22,428,404) |
| **Gross profit** | | 4,679,137 | 3,868,642 |
| Administrative expenses | | (4,242,257) | (3,406,068) |
| **Operating profit** | 3 | 436,880 | 462,574 |
| Other interest receivable and similar income | | 2,578 | 1,411 |
| Interest payable and similar charges | 4 | (137,431) | (80,146) |
| **Profit on ordinary activities before taxation** | | 302,027 | 383,839 |
| Tax on profit on ordinary activities | 5 | (73,634) | (118,018) |
| **Profit on ordinary activities after taxation** | | 228,393 | 265,821 |
| Minority interests | | 13,611 | (623) |
| **Profit for the financial year** | 6 | 242,004 | 265,198 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# STANDSET LIMITED

## BALANCE SHEETS
## *AS AT 31 DECEMBER 2002*

| | Notes | Group 2002 £ | Group 2001 £ | Company 2002 £ | Company 2001 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 7 | 10,000 | 10,000 | 10,000 | 10,000 |
| Tangible assets | 8 | 2,222,864 | 2,078,098 | 1,393,623 | 1,269,324 |
| Investments | 9 | - | - | 322,989 | 322,790 |
| | | 2,232,864 | 2,088,098 | 1,726,612 | 1,602,114 |
| **Current assets** | | | | | |
| Stocks | 10 | 3,097,720 | 3,269,364 | - | - |
| Debtors | 11 | 1,373,668 | 1,412,354 | 194,264 | 161,092 |
| Cash at bank and in hand | | 56,045 | 2,301 | 896 | 896 |
| | | 4,527,433 | 4,684,019 | 195,160 | 161,988 |
| **Creditors: amounts falling due within one year** | 12 | (4,466,698) | (4,685,385) | (1,219,939) | (1,061,415) |
| **Net current assets/(liabilities)** | | 60,735 | (1,366) | (1,024,779) | (899,427) |
| **Total assets less current liabilities** | | 2,293,599 | 2,086,732 | 701,833 | 702,687 |
| **Creditors: amounts falling due after more than one year** | 13 | (267,927) | (288,688) | (209,343) | (277,943) |
| **Provisions for liabilities and charges** | 14 | (11,200) | (11,965) | (9,250) | (10,827) |
| | | 2,014,472 | 1,786,079 | 483,240 | 413,917 |
| **Capital and reserves** | | | | | |
| Called up share capital | 15 | 1,029 | 1,029 | 1,029 | 1,029 |
| Share premium account | 16 | 123,771 | 123,771 | 123,771 | 123,771 |
| Other reserves | 16 | 100 | 100 | 100 | 100 |
| Profit and loss account | 16 | 1,896,203 | 1,654,199 | 358,340 | 289,017 |
| **Shareholders' funds - equity interests** | 18 | 2,021,103 | 1,779,099 | 483,240 | 413,917 |
| **Minority interests** | 17 | (6,631) | 6,980 | - | - |
| | | 2,014,472 | 1,786,079 | 483,240 | 413,917 |

# STANDSET LIMITED

## BALANCE SHEETS (CONTINUED)
## *AS AT 31 DECEMBER 2002*

The financial statements were approved by the board on 27 February 2004



A K Jones
**Director**

# STANDSET LIMITED

## CONSOLIDATED CASH FLOW STATEMENT
## *FOR THE YEAR ENDED 31 DECEMBER 2002*

| | 2002 | | 2001 | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Net cash inflow from operating activities** | | 850,764 | | 384,015 |
| **Returns on investments and servicing of finance** | | | | |
| Interest paid | ( 137,431) | | ( 80,146) | |
| Interest received | 2,578 | | 1,411 | |
| **Net cash outflow for returns on investments and servicing of finance** | | ( 134,853) | | ( 78,735) |
| **Taxation** | | ( 133,216) | | ( 83,536) |
| **Capital expenditure** | | | | |
| Payments to acquire tangible assets | ( 204,590) | | ( 163,617) | |
| Receipts from sales of tangible assets | 38,000 | | 1,885 | |
| Payments to acquire intangible assets | - | | ( 10,000) | |
| Loans to investments | - | | 118,250 | |
| **Net cash outflow for capital expenditure** | | ( 166,590) | | ( 53,482) |
| **Equity dividends paid** | | - | | - |
| **Net cash inflow before management of liquid resources and financing** | | 416,105 | | 168,262 |
| **Financing** | | | | |
| Repayment of long term bank loan | ( 68,600) | | ( 68,600) | |
| Repayment of other short term loans | ( 50,000) | | ( 190,305) | |
| Capital element of finance lease contracts | ( 9,075) | | ( 5,586) | |
| **Net cash outflow from financing** | | ( 127,675) | | ( 264,491) |
| **Increase/(decrease) in cash in the year** | | 288,430 | | ( 96,229) |

# STANDSET LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
## *FOR THE YEAR ENDED 31 DECEMBER 2002*

**1 Reconciliation of operating profit to net cash inflow from operating activities**

| | 2002 £ | 2001 £ |
|---|---|---|
| Operating profit | 436,880 | 462,574 |
| Depreciation of tangible assets | 108,626 | 76,903 |
| (Profit)/Loss on disposal | ( 3,546) | 4,980 |
| Decrease/(Increase) in stocks | 171,644 | ( 1,193,754) |
| Decrease/(Increase) in debtors | 38,686 | ( 271,224) |
| Increase in creditors | 98,474 | 1,307,212 |
| Profit on investment | - | ( 2,676) |
| **Net cash inflow from operating activities** | 850,764 | 384,015 |

**2 Analysis of net debt**

| | 1 January 2002 £ | Cashflow £ | Other non cash changes £ | 31 December 2002 £ |
|---|---|---|---|---|
| Net cash: | | | | |
| Cash at bank and in hand | 2,301 | 53,744 | - | 56,045 |
| Bank overdrafts | ( 676,542) | 234,686 | - | ( 441,856) |
| | ( 674,241) | 288,430 | - | ( 385,811) |
| Finance leases – fixed assets | ( 16,331) | 9,075 | ( 83,256) | ( 90,512) |
| Debts falling due within one year | ( 493,600) | 118,600 | ( 68,600) | ( 443,600) |
| Debts falling due after one year | ( 277,943) | - | 68,600 | ( 209,343) |
| | ( 787,874) | 127,675 | ( 83,256) | ( 743,455) |
| | ( 1,462,115) | 416,105 | ( 83,256) | ( 1,129,266) |

**3 Reconciliation of net cash flow to movement in net debt**

| | 2002 £ | 2001 £ |
|---|---|---|
| Increase/(decrease) in cash in the year | 288,430 | ( 96,229) |
| Cash outflow from decrease in debt | 127,675 | 264,491 |
| Change in net debt resulting from cash flows | 416,105 | 168,262 |
| New finance lease | ( 83,256) | - |
| **Movement in net debt in the year** | 332,849 | 168,262 |
| Opening net debt | ( 1,462,115) | ( 1,630,377) |
| **Closing net debt** | ( 1,129,266) | ( 1,462,115) |

# STANDSET LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## *FOR THE YEAR ENDED 31 DECEMBER 2002*

---

**1 Accounting policies**

**1 .1 Accounting convention**

The financial statements are prepared under the historical cost convention.

**1 .2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable accounting standards.

**1 .3 Basis of consolidation**

*The consolidated profit and loss account and balance sheet include the financial statements of the* company and its subsidiary undertakings made up to 31 December 2002. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group *sales and profits are eliminated fully on consolidation.*

**1 .4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

**1 .5 *Goodwill***

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. The directors consider this to be 20 years.

**1 .6 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

**1 .7 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| Land and buildings Freehold | 2% |
| Land and buildings Leasehold | *Straight line over lease term (25 and 71 years)* |
| Plant and machinery | 10% |
| Fixtures, fittings & equipment | 10% - 33% |
| Motor vehicles | 10% |

**1 .8 *Leasing***

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements *are included in creditors net of the finance charge allocated to future periods. The finance element of the* rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1 .9 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

---

**1 Accounting policies** **(continued)**

**1 .10 Stock and work in progress**

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

**1 .11 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

**1 .12 Deferred taxation**

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**2 Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**3 Operating profit**

| | 2002 | 2001 |
|---|---|---|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 108,626 | 76,903 |
| Loss on disposal of tangible assets | - | 4,980 |
| Research and development | 102,945 | - |
| Operating lease rentals | 90,000 | 70,982 |
| Auditors' remuneration (company £3,750 ; 2001 : £3,625 ) | 20,315 | 19,000 |
| *and after crediting:* | | |
| Profit on disposal of tangible assets | (3,546) | (2,676) |

**4 Interest payable**

| | 2002 | 2001 |
|---|---|---|
| | £ | £ |
| On bank loans and overdrafts | 42,517 | 39,634 |
| Lease finance charges | 8,823 | 1,235 |
| Other interest | 86,091 | 39,277 |
| | 137,431 | 80,146 |

| 5 Taxation | 2002 £ | 2001 £ |
|---|---|---|
| **Domestic current year tax** | | |
| U.K. corporation tax | 70,600 | 138,000 |
| Adjustment for prior years | 3,799 | 4,064 |
| **Current tax charge** | 74,399 | 142,064 |
| **Deferred tax** | | |
| Deferred tax charge/credit current year | 93 | (24,046) |
| Deferred tax adjust re previous year | (858) | - |
| | (765) | (24,046) |
| | 73,634 | 118,018 |
| **Factors affecting the tax charge for the year** | | |
| Profit/(loss) on ordinary activities before taxation | 302,027 | 383,839 |
| Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001 : 30.00 %) | 90,608 | 115,152 |
| Effects of: | | |
| Non deductible expenses | 13,575 | 5,693 |
| Depreciation | 33,370 | 24,564 |
| Capital allowances | (30,533) | (20,970) |
| Tax losses utilised | (4,491) | 26,191 |
| Adjustments to previous periods | 3,799 | 4,064 |
| Other tax adjustments | (31,929) | (12,630) |
| | (16,209) | 26,912 |
| **Current tax charge** | 74,399 | 142,064 |

### 6 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

| | 2002 £ | 2001 £ |
|---|---|---|
| Holding company's profit for the financial year | 69,323 | 58,601 |

7 **Intangible fixed assets**

*Group*

| | Goodwill £ |
|---|---|
| **Cost** | |
| At 1 January 2002 & at 31 December 2002 | 10,000 |
| **Net book value** | |
| At 31 December 2002 | 10,000 |
| At 31 December 2001 | 10,000 |

**Intangible fixed assets (continued)**

**Company**

| | Goodwill £ |
|---|---|
| **Cost** | |
| At 1 January 2002 & at 31 December 2002 | 10,000 |
| **Net book value** | |
| At 31 December 2002 | 10,000 |
| At 31 December 2001 | 10,000 |

8 **Tangible fixed assets**

**Group**

| | Land and buildings Freehold | Land and buildings Leasehold | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Cost** | | | | | | |
| At 1 January 2002 | 1,203,247 | 716,683 | 514,759 | 153,254 | 29,760 | 2,617,703 |
| Additions | 2,580 | 39,533 | 27,858 | 109,316 | 108,559 | 287,846 |
| Disposals | - | - | (34,454) | - | - | (34,454) |
| At 31 December 2002 | 1,205,827 | 756,216 | 508,163 | 262,570 | 138,319 | 2,871,095 |
| **Depreciation** | | | | | | |
| At 1 January 2002 | 29,523 | 121,979 | 306,472 | 75,679 | 5,952 | 539,605 |
| Charge for the year | 7,380 | 16,614 | 53,709 | 27,947 | 2,976 | 108,626 |
| At 31 December 2002 | 36,903 | 138,593 | 360,181 | 103,626 | 8,928 | 648,231 |
| **Net book value** | | | | | | |
| At 31 December 2002 | 1,168,924 | 617,623 | 147,982 | 158,944 | 129,391 | 2,222,864 |
| At 31 December 2001 | 1,173,724 | 594,704 | 208,287 | 77,575 | 23,808 | 2,078,098 |

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

| | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Net book values** | | | | |
| At 31 December 2002 | 105,865 | - | - | 105,865 |
| At 31 December 2001 | 23,808 | - | - | 23,808 |
| **Depreciation charge for the year** | | | | |
| 31 December 2002 | 18,592 | - | - | 18,592 |
| 31 December 2001 | 2,976 | - | - | 2,976 |

8 **Tangible fixed assets (continued)**

**Company**

| | Land and buildings Freehold | Land and buildings Leasehold | Plant and machinery | Motor vehicles | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 January 2002 | 648,108 | 677,422 | 67,427 | - | 1,392,957 |
| Additions | - | 20,000 | 20,009 | 108,559 | 148,568 |
| At 31 December 2002 | 648,108 | 697,422 | 87,436 | 108,559 | 1,541,525 |
| **Depreciation** | | | | | |
| At 1 January 2002 | 15,120 | 108,213 | 300 | - | 123,633 |
| Charge for the year | 3,780 | 12,197 | 8,292 | - | 24,269 |
| At 31 December 2002 | 18,900 | 120,410 | 8,592 | - | 147,902 |
| **Net book value** | | | | | |
| At 31 December 2002 | 629,208 | 577,012 | 78,844 | 108,559 | 1,393,623 |
| At 31 December 2001 | 632,988 | 569,209 | 67,127 | - | 1,269,324 |

### 9 Fixed asset investments

**Company**

| | Shares in participating interests £ |
|---|---|
| **Cost** | |
| At 1 January 2002 | 322,790 |
| Additions | 199 |
| At 31 December 2002 | 322,989 |
| At 31 December 2001 | 322,790 |

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held | |
|---|---|---|---|
| | | Class | % |
| **Subsidiary undertakings** | | | |
| Freeborn Garages Limited | England & Wales | Ordinary | 100 |
| S E Thomas Limited | England & Wales | Ordinary | 98 |
| S E Thomas Limited | England & Wales | Preference | 100 |
| Freeborn Hyundai Limited | England & Wales | Ordinary | 100 |
| Romahome Limited | England & Wales | Ordinary | 90 |
| Special Vehicle Projects Limited | England & Wales | Ordinary | 90 |
| Tool Purchase (Southampton) Limited | England & Wales | Ordinary | 100 |

The principal activity of these undertakings for the last relevant financial year was as follows:

| | Principal activity |
|---|---|
| Freeborn Garages Limited | Garage Proprietors |
| S E Thomas Limited | Garage Proprietors |
| S E Thomas Limited | Garage Proprietors |
| Freeborn Hyundai Limited | Garage Proprietors |
| Romahome Limited | Manufacturer of Motor Homes |
| Special Vehicle Projects Limited | Motor Vehicle Converter |
| Tool Purchase (Southampton) Limited | Dormant |

### 10 Stocks and work in progress

| | Group | | Company | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | £ | £ | £ | £ |
| Raw materials and consumables | 127,662 | 40,925 | - | - |
| Work in progress | 64,262 | 31,268 | - | - |
| Finished goods and goods for resale | 2,905,796 | 3,197,171 | - | - |
| | 3,097,720 | 3,269,364 | - | - |

The group operates a consignment stock arrangement with PSA Wholesale Limited and Hyundai UK Limited. The stock is held on sale or return until such time as the group adopts the stock which is when the vehicle is sold or has been on consignment for a predetermined period. Only those vehicles which have been adopted are included in stock. The value of sale or return stock at the year end is £1,987,996 (2001 : £1,675,376) this stock is not included in the financial statements.

### 11 Debtors

| | Group | | Company | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | £ | £ | £ | £ |
| Trade debtors | 883,447 | 831,950 | - | - |
| Amounts owed by participating interests | - | - | 156,461 | 93,894 |
| Other debtors | 80,768 | 155,843 | 33,481 | 65,796 |
| Prepayments and accrued income | 409,453 | 424,561 | 4,322 | 1,402 |
| | 1,373,668 | 1,412,354 | 194,264 | 161,092 |

**12 Creditors : amounts falling due within one year**

| | Group | | Company | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 510,456 | 745,142 | 78,442 | 86,036 |
| Net obligations under finance lease and hire purchase contracts | 31,928 | 5,586 | - | - |
| Trade creditors | 2,464,921 | 1,805,751 | - | - |
| Amounts owed to group undertakings | - | - | 980,531 | 848,996 |
| Corporation tax | 79,183 | 138,000 | 24,000 | 31,000 |
| Other taxes and social security costs | 194,088 | 151,398 | 87,108 | 21,783 |
| Directors current accounts | - | 50,000 | - | 50,000 |
| Other creditors | 375,000 | 375,652 | - | - |
| Finance for deposits on consignment stock | 421,311 | 1,115,265 | - | - |
| Accruals and deferred income | 389,811 | 298,591 | 49,858 | 23,600 |
| | 4,466,698 | 4,685,385 | 1,219,939 | 1,061,415 |

The bank loans and overdrafts are secured on the leasehold and the freehold property of the group, together with a cross guarantee between all group companies.

Within other creditors is a vehicle stocking loan totalling £375,000 (2001 : £375,000) which is secured against each individual asset concerned.

The finance for deposits on consignment stock are secured on each asset concerned.

**13 Creditors : amounts falling due after more than one year**

| | Group | | Company | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | £ | £ | £ | £ |
| Bank loans | 209,343 | 277,943 | 209,343 | 277,943 |
| Net obligations under finance leases and hire purchase agreements | 58,584 | 10,745 | - | - |
| | 267,927 | 288,688 | 209,343 | 277,943 |
| **Analysis of loans** | | | | |
| Wholly repayable within five years | 652,943 | 721,543 | 277,943 | 346,543 |
| Included in current liabilities | (443,600) | (443,600) | (68,600) | (68,600) |
| | 209,343 | 277,943 | 209,343 | 277,943 |
| **Loan maturity analysis** | | | | |
| In more than one year but not more than two years | 68,600 | 68,600 | 68,600 | 68,600 |
| In more than two years but not more than five years | 140,743 | 205,800 | 140,743 | 205,800 |
| In more than five years | - | 3,543 | - | 3,543 |
| **Net obligations under finance leases and hire purchase contracts** | | | | |
| Repayable within one year | 31,928 | 5,586 | - | - |
| Repayable between one and five years | 58,584 | 10,745 | - | - |
| | 90,512 | 16,331 | - | - |
| Included in liabilities falling due within one year | (31,928) | (5,586) | - | - |
| | 58,584 | 10,745 | - | - |

Assets held under finance lease and hire purchase agreements are secured against each individual asset concerned.

The bank loan comprise of a 10 year Treasury Loan which is secured on the freehold and leasehold property of the group. Interest is charged at 2% above bank base rate and repayments of £17,150 are made on a quarterly basis.

## 14 Provisions for liabilities and charges

**Group**

| | Deferred taxation £ |
|---|---|
| Balance at 1 January 2002 | 11,965 |
| Profit and loss account | (765) |
| Balance at 31 December 2002 | 11,200 |

**Company**

| | |
|---|---|
| Balance at 1 January 2002 | 10,827 |
| Profit and loss acount | (1,577) |
| Balance at 31 December 2002 | 9,250 |

Deferred taxation provided in the financial statements is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2002 £ | 2001 £ | 2002 £ | 2001 £ |
| Accelerated capital allowances | 38,552 | 34,208 | 18,850 | 10,827 |
| Other timing differences | (9,600) | - | (9,600) | - |
| Tax losses available | (17,752) | (22,243) | - | - |
| | 11,200 | 11,965 | 9,250 | 10,827 |

## 15 Share capital

| | 2002 £ | 2001 £ |
|---|---|---|
| **Authorised** | | |
| 50,000 Ordinary shares of 10p each | 5,000 | 5,000 |
| **Allotted, called up and fully paid** | | |
| 10,290 Ordinary shares of 10p each | 1,029 | 1,029 |

**16 Statement of movements on reserves**

**Group**

| | Share premium account | Other reserves | Profit and loss account |
|---|---|---|---|
| | £ | £ | £ |
| Balance at 1 January 2002 | 123,771 | 100 | 1,654,199 |
| Retained profit for the year | - | - | 242,004 |
| Balance at 31 December 2002 | 123,771 | 100 | 1,896,203 |

**Other reserves**

**Capital redemption reserve**

| | |
|---|---|
| Balance at 1 January 2002 & at 31 December 2002 | 100 |

**Company**

| | Share premium account | Other reserves (see below) | Profit and loss account |
|---|---|---|---|
| | £ | £ | £ |
| Balance at 1 January 2002 | 123,771 | 100 | 289,017 |
| Retained profit for the year | - | - | 69,323 |
| Balance at 31 December 2002 | 123,771 | 100 | 358,340 |

**Other reserves**

***Capital redemption reserve***

| | |
|---|---|
| Balance at 1 January 2002 & at 31 December 2002 | 100 |

| **17 Minority interests** | **2002** | **2001** |
|---|---|---|
| | £ | £ |
| Minority interests' share of net assets and liabilities in subsidiary undertakings | (6,631) | 6,980 |

**18 Reconciliation of movements in shareholders' funds**

| Group | 2002 £ | 2001 £ |
|---|---|---|
| Profit for the financial year | 242,004 | 265,198 |
| Opening shareholders' funds | 1,779,099 | 1,513,901 |
| Closing shareholders' funds | 2,021,103 | 1,779,099 |

| Company | 2002 £ | 2001 £ |
|---|---|---|
| Profit for the financial year | 69,323 | 58,601 |
| Opening shareholders' funds | 413,917 | 355,316 |
| Closing shareholders' funds | 483,240 | 413,917 |

**19 Contingent liabilities**

**Group**

There are cross guarantees on certain trading subsidiaries held by PSA Wholesale Limited. There is also a cross guarantee between the holding company and trading subsidiaries held by Barclays Bank plc.

**20 Financial commitments**

At 31 December 2002 the group had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings 2002 £ | Land and buildings 2001 £ |
|---|---|---|
| Expiry date: | | |
| Between two and five years | 51,000 | 51,000 |
| In over five years | 42,100 | 33,100 |
| | 93,100 | 84,100 |

**21 Capital commitments**

| | Group 2002 £ | Group 2001 £ | Company 2002 £ | Company 2001 £ |
|---|---|---|---|---|
| Contracted for but not provided in the financial statements | - | 100,870 | - | - |

## 22 Directors' emoluments

| | 2002 £ | 2001 £ |
|---|---|---|
| Emoluments for qualifying services | 174,006 | 179,848 |
| Company pension contributions to money purchase schemes | 47,046 | 25,011 |
| | 221,052 | 204,859 |

## 23 Employees

**Number of employees**

The average monthly number of employees (including directors) during the year was:

| | 2002 Number | 2001 Number |
|---|---|---|
| Average number of employees | 167 | 115 |

**Employment costs**

| | £ | £ |
|---|---|---|
| Wages and salaries | 2,668,463 | 1,848,497 |
| Social security costs | 240,001 | 187,872 |
| Other pension costs | 55,995 | 33,563 |
| | 2,964,459 | 2,069,932 |

## 24 Related party transactions

**Group**

The directors consider A K Jones has ultimate control over the group and the company by virtue of a majority share holding.

The group rents a property owned by the AKJ Fund a pension scheme for the benefit of A K Jones which is independent from the company at open market rent of £39,000 (2001 : £30,000).

Within other debtors is a balance due from A K Jones totalling £10,616 (2001 : £2,841).