

John Clark (Tayside) Limited

Directors' report and financial statements

31 March 1996

Registered number 89721

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John Clark (Tayside) Limited

Directors' report and financial statements

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John Clark (Tayside) Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 1996.

Principal activities

The company's business is that of motor vehicle dealers and garage proprietors.

Financial

The loss for the year is set out in the attached profit and loss account.

Trading resulted in a loss before taxation of £25,245 compared with a profit of £71,681 in the previous year. The directors recommend that no dividend be paid.

Market value of land and buildings

The directors are of the opinion that the open market value of the company's interest in long leasehold property is in excess of the book value but are unable to quantify the excess.

Directors and directors' interests

The directors who held office during the year were as follows:

JHS Clark
DVA Clark

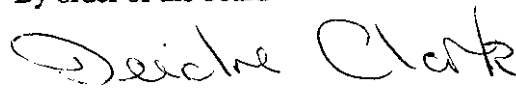
Neither of the directors at 31 March 1996 had any interests in the share capital of the company as recorded in the register of directors' interests. The interests of the directors in the share capital of the parent company, John Clark (Holdings) Limited, are set out in the directors' report of that company.

SE Miller was appointed a director on 31 May 1996.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



DVA Clark
Secretary

The Autoplex
Abbotswell Road
Aberdeen

30 September 1996

John Clark (Tayside) Limited

Statement of 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 profit or loss 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



37 Albyn Place
Aberdeen AB10 1JB

Report of the auditors to the members of John Clark (Tayside) Limited

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

As described on page 2, 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 the company's affairs as at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG .

Chartered Accountants
Registered Auditors

30 September 1996

John Clark (Tayside) Limited

Profit and loss account for the year ended 31 March 1996

	<i>Note</i>	1996 £	1995 £
Turnover	2	7,993,656	7,935,098
Cost of sales		(7,301,573)	(7,254,077)
Gross profit		692,083	681,021
Administrative expenses		(585,799)	(510,868)
Trading profit		106,284	170,153
Interest payable	6	(131,529)	(98,472)
(Loss) profit on ordinary activities before taxation	3-5	(25,245)	71,681
Tax on (loss) profit on ordinary activities	7	4,571	(26,438)
(Loss) profit for the financial year		(20,674)	45,243

A statement of movement on reserves is given in note 15.

Turnover and loss on ordinary activities before interest arises wholly from continuing operations.

There are no recognised gains or losses other than the loss for the financial year.

John Clark (Tayside) Limited

Balance sheet at 31 March 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	8		642,065		646,999
Current assets					
Stocks	9	1,250,272		1,005,803	
Debtors	10	595,443		572,429	
Cash at bank and in hand		1,180		307	
		1,846,895		1,578,539	
Creditors: amounts falling due within one year	11	(2,228,339)		(1,904,740)	
Net current liabilities			(381,444)		(326,201)
Total assets less current liabilities			260,621		320,798
Creditors: amounts falling due after more than one year	11		(198,334)		(236,178)
Provisions for liabilities and charges	12		(16,420)		(17,074)
Accruals and deferred income	13		(3,183)		(4,188)
			42,684		63,358
Capital and reserves					
Called up share capital	14		200,000		200,000
Profit and loss account	15		(157,316)		(136,642)
Equity shareholders' funds	16		42,684		63,358

These financial statements were approved by the board of directors on 30 September 1996 and were signed on its behalf by:

JHS Clark
Director

John Clark (Tayside) Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under Financial Reporting Standard 1, the company is exempt from the requirements to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

Fixed assets and depreciation

Depreciation is provided on all tangible fixed assets, with the exception of long leasehold property, at rates calculated to write off their cost over their expected useful economic lives as follows:

Plant and fittings	-	over 5 years
Motor vehicles	-	over 4 years

No depreciation is provided on long leasehold property. It is the company's practice to maintain the property in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the life of the property is so long and the residual value, based on prices prevailing at the time of acquisition or subsequent revaluation, is so high that depreciation is insignificant. Any permanent diminution in the value of the property is charged to the profit and loss account as appropriate.

Stocks

Stocks are valued at the lower of cost and estimated net realisable value.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

John Clark (Tayside) Limited

Notes (continued)

1 Accounting policies (continued)

Pension costs

Pension costs are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

2 Turnover

Turnover, which is attributable to one activity, represents the amounts (excluding value added tax, car tax and licence duties) derived from the provision of goods and services to customers during the year.

3 (Loss) profit on ordinary activities before taxation

(Loss) profit on ordinary activities before taxation is stated after charging:

	1996 £	1995 £
Depreciation of tangible fixed assets	63,191	59,426
Auditors' remuneration	7,500	7,200

4 Staff costs

Employee costs (including directors):

	1996 £	1995 £
Wages and salaries	532,455	460,679
Social security costs	48,239	45,451
Other pension costs (see note 18)	22,210	17,316
	602,904	523,446

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1996	1995
Management	3	4
Administration	4	4
Sales	4	3
Other	21	19
	32	30

John Clark (Tayside) Limited

Notes (continued)

5 Directors' remuneration

No director received any emoluments from this company during the year (1995: £Nil).

6 Interest payable

	1996 £	1995 £
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On bank loans, overdrafts and other loans wholly repayable within five years	131,529	98,472
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7 Tax on (loss) profit on ordinary activities

	1996 £	1995 £
Corporation tax (including group relief)	(5,454)	23,777
Deferred tax	(159)	1,911
Prior year adjustments	1,042	750
	(4,571)	26,438

8 Tangible fixed assets

	Long leasehold property £	Plant and fittings £	Motor vehicles £	Total £
Cost				
At beginning of year	482,644	331,796	116,006	930,446
Additions	21,034	19,580	24,053	64,667
Disposals	(2,750)	-	(11,722)	(14,472)
At end of year	500,928	351,376	128,337	980,641
Depreciation				
At beginning of year	22,696	239,398	21,353	283,447
Charge for year	1,655	30,514	31,022	63,191
Disposals	-	-	(8,062)	(8,062)
At end of year	24,351	269,912	44,313	338,576
Net book value				
At 31 March 1996	476,577	81,464	84,024	642,065
At 31 March 1995	459,948	92,398	94,653	646,999

John Clark (Tayside) Limited

Notes (continued)

8 Tangible fixed assets (continued)

The net book value of land and building comprises:

	1996 £	1995 £
Heritable	458,488	459,948
Short leasehold	18,089	-
	476,577	459,948

9 Stocks

	1996 £	1995 £
Miscellaneous	20,430	14,799
Goods for resale	1,229,842	991,004
	1,250,272	1,005,803

In addition to the above the company holds consignment stock totalling £407,369 (1995: £583,011). Title to such stock is normally transferred after 90-180 days if items are not sold, transferred or adopted in the intervening period.

10 Debtors

	1996 £	1995 £
Trade debtors	408,874	429,303
Amounts owed by group undertakings	42,619	20,435
Other debtors	103,289	81,984
Corporation tax recoverable	-	5,500
Group relief	40,661	35,207
	595,443	572,429

John Clark (Tayside) Limited

Notes (continued)

11 Creditors

	1996		1995	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Bank overdraft	1,105,083	-	599,631	-
Bank loans	23,333	198,334	23,333	221,667
Trade creditors	372,319	-	487,528	-
Amounts owed to group undertakings	158,538	-	170,423	-
Corporation tax	1,792	-	-	-
Other taxes and social security	74,850	-	73,389	-
Hire purchase creditor	230,676	-	282,336	14,511
Stocking loan	150,000	-	150,000	-
Other creditors	111,748	-	118,100	-
	2,228,339	198,334	1,904,740	236,178
Repayable within five years		93,332		107,843
Repayable after five years		105,002		128,335
		198,334		236,178

A bank loan of £350,000 was obtained during the year to 31 March 1991 and is repayable by way of sixty quarterly instalments of £5,833. Interest is payable at 1½% above bank base rate. The bank holds a standard security over the company's property together with a bond and floating charge over the company's assets.

The stocking loan is secured by guarantees issued by certain other group undertakings. Interest on this facility is charged at Finance House Base Rate.

12 Provisions for liabilities and charges

	Accelerated capital allowances £
<i>Deferred tax</i>	
At beginning of year	17,074
Profit and loss account	(654)
At end of year	16,420

John Clark (Tayside) Limited

Notes (continued)

13 Accruals and deferred income

	1996 £	1995 £
Deferred income (net of deferred tax @ 33%)	3,183	4,188

Oil company financial assistance received in 1992 and 1995 is being credited to profit by equal monthly instalments over a period of five years. The unexpired balance is repayable only if the group fails to carry out its obligations under its oil supply agreement

14 Share capital

	1996 £	1995 £
<i>Authorised, allotted, called up and fully paid</i> Ordinary shares of £1 each	200,000	200,000

15 Profit and loss account

	£
At beginning of year	(136,642)
Retained loss for the year	(20,674)
At end of year	(157,316)

16 Statement of movements in shareholders' funds

	1996 £	1995 £
(Loss) profit for the financial year	(20,674)	45,243
Shareholders' funds at beginning of year	63,358	18,115
Shareholders' funds at end of year	42,684	63,358

John Clark (Tayside) Limited

Notes (continued)

17 Commitments

- (i) Capital commitments at the end of the financial year, for which no provision has been made:

	1996 £	1995 £
Contracted	-	10,000

- (ii) At the end of the financial year the company had no annual commitments under non-cancellable operating leases.

18 Pension scheme

The company subscribes to a defined contribution pension scheme operated by the group. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,210 (1995: £17,316)).

19 Contingent liabilities

The company has issued cross guarantees with certain other group companies in connection with bank facilities and stocking loan facilities received by the group. The total of balances covered by the cross guarantees at 31 March 1996 was £4,003,000 and £450,000 respectively.

20 Parent company

The ultimate parent company is John Clark (Holdings) Limited, a company incorporated in Great Britain and registered in Scotland.

The largest group in which the results of the company are consolidated is that headed by John Clark (Holdings) Limited. The consolidated accounts of John Clark (Holdings) Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.

No other group accounts include the results of the company.