

John Clark (Tayside) Limited

**Directors' report and financial
statements**

Registered number 89721

31 March 2001



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Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2001.

Principal activities

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

Financial

The profit for the year after taxation, as set out in the attached profit and loss account, amounted to £186,537. After payment of dividends of £125,000 the profit for the year is £61,537.

Market value of land and buildings

The directors are of the opinion that the open market value of the company's interest in land and buildings 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
M Wilcock

The interests of JHS Clark and DVA Clark are disclosed in the directors' report of the parent company.

M Wilcock had no interest in the share capital of the company or other group companies at 31 March 2001 or at 31 March 2000 as recorded in the register of directors' interests.

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

3 December 2001

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
United Kingdom

Independent auditors' report to the members of John Clark (Tayside) Limited

We have audited the financial statements on pages 4 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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 2001 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

3 December 2001

Profit and loss account
for the year ended 31 March 2001

	<i>Note</i>	2001 £	2000 £
Turnover	2	13,109,448	11,498,357
Cost of sales		(11,908,489)	(10,436,691)
Gross profit		1,200,959	1,061,666
Administrative expenses		(867,007)	(816,478)
Operating profit		333,952	245,188
Interest receivable	6	41	-
Interest payable	7	(61,340)	(70,150)
Profit on ordinary activities before taxation	3-5	272,653	175,038
Tax on profit on ordinary activities	8	(86,116)	(58,739)
Profit for the financial year		186,537	116,299
Dividends on equity shares	9	(125,000)	(50,000)
Retained profit for the year	17	61,537	66,299

Turnover and profit on ordinary activities arise wholly from continuing operations.

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

Balance sheet
at 31 March 2001

	<i>Note</i>	2001	2000
		£	£
Fixed assets			
Tangible assets	10	658,374	709,376
Current assets			
Stocks	11	1,541,478	1,300,445
Debtors	12	1,214,462	725,304
Cash at bank and in hand		1,175	1,701
		<u>2,757,115</u>	<u>2,027,450</u>
Creditors: amounts falling due within one year	13	<u>(2,836,119)</u>	<u>(2,186,293)</u>
Net current liabilities		<u>(79,004)</u>	<u>(158,843)</u>
Total assets less current liabilities		<u>579,370</u>	<u>550,533</u>
Creditors: amounts falling due after more than one year	13	(97,139)	(132,082)
Provisions for liabilities and charges	14	(18,345)	(19,602)
Accruals and deferred income	15	(37,100)	(33,600)
Net assets		<u>426,786</u>	<u>365,249</u>
Capital and reserves			
Called up share capital	16	200,000	200,000
Profit and loss account	17	226,786	165,249
Equity shareholders' funds		<u>426,786</u>	<u>365,249</u>

These financial statements were approved by the board of directors on 3 December 2001 and were signed on its behalf by:

JHS Clark
Director

Statement of reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	186,537	116,299
Dividends	(125,000)	(50,000)
Net addition to shareholders funds	61,537	66,299
Shareholders' funds at beginning of year	365,249	298,950
Shareholders' funds at end of year	426,786	365,249

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 the historical cost accounting rules.

Under Financial Reporting Standard 1, the company is exempt from the requirement 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.

As the company is a wholly owned subsidiary of John Clark (Holdings) Limited, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of John Clark (Holdings) Limited, within which this company is included, can be obtained from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.

Fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off their cost less estimated residual value over their expected useful economic lives as follows:

Freehold property	-	30 years
Plant and fittings	-	between 3 to 5 years
Motor vehicles	-	over 4 years
Leasehold improvements	-	over remaining lease period

No depreciation is provided on land.

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

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Pension costs

The company subscribes to a defined contribution pension plan operated by the group and also contributes to personal pension plans of employees. The assets of the plans are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the plans in respect of the accounting period.

Notes *(continued)*

2 Turnover

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

3 Profit on ordinary activities before taxation

	2001 £	2000 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	68,977	74,899
Auditors' remuneration	8,000	8,000

4 Staff costs

	2001 £	2000 £
Employee costs (including directors):		
Wages and salaries	781,726	717,895
Social security costs	70,010	66,602
Other pension costs (see note 18)	27,505	24,663
	879,241	809,160

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

	Number of employees	
	2001	2000
Management	4	3
Administration	5	5
Sales	7	5
Other	29	28
	45	41

Notes (continued)

5 Directors' remuneration

The aggregate emoluments of the directors who are also directors of the parent company are disclosed in the financial statements of that company. The other director's emoluments were:

	2001 £	2000 £
Director's emoluments	64,013	66,168
Company contributions to money purchase plan	2,400	2,400

Retirement benefits are accruing to one director (2000: one) under a money purchase plan.

6 Interest receivable

	2001 £	2000 £
Bank interest receivable	41	-

7 Interest payable

	2001 £	2000 £
On bank loans	8,728	15,237
On all other loans	25,451	31,988
Finance charges in respect of finance leases and hire purchase contracts	27,161	22,925
	61,340	70,150

8 Tax on profit on ordinary activities

	2001 £	2000 £
Based on profit for the year:		
Corporation tax at 30% (2000: 20%)	21,593	8,571
Group relief	69,685	48,697
Deferred tax	(1,375)	1,744
Adjustments in respect of prior years:		
Group relief	(3,905)	(273)
Deferred tax	118	-
	86,116	58,739

9 Dividends

	2001 £	2000 £
Dividends	125,000	50,000

Notes (continued)

10 Tangible fixed assets

	Land and buildings £	Plant and fittings £	Leased plant and fittings £	Motor vehicles £	Total £
Cost					
At beginning of year	636,418	474,711	69,273	55,502	1,235,904
Additions	1,897	29,290	-	4,200	35,387
Disposals	-	(2,021)	-	(39,557)	(41,578)
At end of year	638,315	501,980	69,273	20,145	1,229,713
Depreciation					
At beginning of year	55,256	396,281	53,900	21,091	526,528
Charge for year	14,024	30,037	15,373	9,543	68,977
On disposals	-	(2,021)	-	(22,145)	(24,166)
At end of year	69,280	424,297	69,273	8,489	571,339
Net book value					
At 31 March 2001	569,035	77,683	-	11,656	658,374
At 31 March 2000	581,162	78,430	15,373	34,411	709,376

Included in the total net book value of motor vehicles is £7,634 (2000: £4,172) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £2,617 (2000: £2,945). The gross book value of land and buildings includes £438,315 (2000: £436,418) of depreciable assets.

The net book value of land and building comprises:

	2001 £	2000 £
Freehold	561,615	570,358
Leasehold improvements	7,420	10,804
	569,035	581,162

11 Stocks

	2001 £	2000 £
Miscellaneous	19,818	23,169
Goods for resale	1,521,660	1,277,276
	1,541,478	1,300,445

In addition to the above the company holds consignment stock totalling £227,295 (2000: £176,676). Title to such stock is normally transferred after 90-180 days if items are not sold, transferred or adopted in the intervening period.

Notes (continued)

12 Debtors

	2001 £	2000 £
Trade debtors	1,008,006	554,228
Amounts owed by group undertakings	74,799	79,929
Other debtors	131,657	91,147
	<u>1,214,462</u>	<u>725,304</u>

13 Creditors

	2001		2000	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Bank overdraft	108,285	-	123,896	-
Bank loans	23,333	81,667	23,333	105,000
Trade creditors	770,743	-	340,686	-
Amounts owed to group undertakings	803,929	-	810,994	-
Corporation tax	21,593	-	8,571	-
Other taxes and social security	38,634	-	53,872	-
Obligations under finance leases and hire purchase agreements	569,444	15,472	400,556	27,082
Stocking loan	150,000	-	150,000	-
Other creditors	165,398	-	155,405	-
Group relief	184,760	-	118,980	-
	<u>2,836,119</u>	<u>97,139</u>	<u>2,186,293</u>	<u>132,082</u>
Repayable between one and two years		38,537		36,739
Repayable between two and five years		58,602		83,671
Repayable after five years		-		11,672
		<u>97,139</u>		<u>132,082</u>

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 1.5% above bank base rate. The bank overdraft and bank loan are secured by a standard security over the company's property together with a bond and floating charge over the company's assets.

The used vehicle stocking loan is secured by guarantees issued by certain other group undertakings.

Hire purchase obligations are secured over the fixed assets and demonstration vehicle stocks to which they relate.

Notes *(continued)*

14 Provisions for liabilities and charges

The amounts provided for deferred tax which represents the full potential liability are set out below:

	Accelerated capital allowances £	Other timing differences £	Total £
At beginning of year	24,402	(4,800)	19,602
Profit and loss account	(1,257)	-	(1,257)
At end of year	23,145	(4,800)	18,345

15 Accruals and deferred income

	2001 £	2000 £
Deferred income	37,100	33,600

Oil company financial assistance 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.

16 Share capital

	2001 £	2000 £
<i>Authorised, allotted, called up and fully paid</i> Ordinary shares of £1 each	200,000	200,000

17 Profit and loss account

	£
At beginning of year	165,249
Retained profit for the year	61,537
At end of year	226,786

Notes (continued)

18 Pension scheme

The company subscribes to a defined contribution pension scheme operated by the group and also contributes to personal pension plans of employees. The assets of the plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the plans and amounted to £27,505 (2000: £24,663). No contributions were payable to the plans at either year end.

19 Contingent liabilities

The company has issued 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 guarantees at 31 March 2001 was £9,504,740 (2000: £6,418,652) and £1,714,132 (2000: £1,536,573) 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.