

John Clark (Tayside) Limited

**Directors' report and financial
statements**

Registered number 89721

31 March 2002



SCT S7E9FGWD 0767
COMPANIES HOUSE 20/12/02

Contents

<i>Directors' report</i>	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of John Clark (Tayside) Limited	3
Profit and loss account	4
Balance sheet	5
Statement of reconciliation of movements in shareholders' funds	6
Notes	7

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2002.

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 £95,210 (2001: £186,537). After payment of dividends of £50,000 (2001: £125,000) the retained profit for the year is £45,210 (2001: £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:

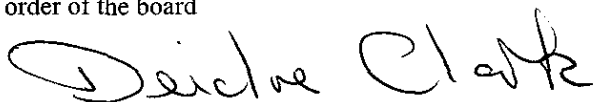
JHS Clark
DVA Clark
M Wilcock (resigned 19 October 2001)

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

Auditors

Our auditors KPMG have indicated to the directors' that their business has transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 15 May 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the re-appointment of KPMG LLP 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

26 November 2002

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 14.

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 2002 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP.

KPMG LLP
Chartered Accountants
Registered Auditor

26 November 2002

Profit and loss account

for the year ended 31 March 2002

	<i>Note</i>	2002 £	2001 £
Turnover	2	14,915,489	13,109,448
Cost of sales		(13,791,055)	(11,908,489)
Gross profit		1,124,434	1,200,959
Administrative expenses		(910,092)	(867,007)
Operating profit		214,342	333,952
Interest receivable	6	-	41
Interest payable	7	(80,145)	(61,340)
Profit on ordinary activities before taxation	3-5	134,197	272,653
Tax on profit on ordinary activities	8	(38,987)	(86,116)
Profit for the financial year		95,210	186,537
Dividends on equity shares	9	(50,000)	(125,000)
Retained profit for the year	17	45,210	61,537

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.

There is no material difference between the profit on ordinary activities before taxation set out above and the historical cost equivalent.

Balance sheet

at 31 March 2002

	Note	£	2002	£	£	2001	£
Fixed assets							
Tangible assets	10		913,841			658,374	
Current assets							
Stocks	11	1,295,683			1,541,478		
Debtors	12	1,151,894			1,214,462		
Cash at bank and in hand		642,602			1,175		
			3,090,179		2,757,115		
Creditors: amounts falling due within one year	13	(2,862,693)			(2,836,119)		
Net current assets (liabilities)			227,486		(79,004)		
Total assets less current liabilities			1,141,327		579,370		
Creditors: amounts falling due after more than one year	13		(607,452)		(97,139)		
Provisions for liabilities and charges	14		(33,179)		(18,345)		
Accruals and deferred income	15		(28,700)		(37,100)		
Net assets			471,996		426,786		
Capital and reserves							
Called up share capital	16		200,000		200,000		
Profit and loss account	17		271,996		226,786		
Equity shareholders' funds			471,996		426,786		

These financial statements were approved by the board of directors on 26 November 2002 and were signed on its behalf by:

JHS Clark
 Director

Statement of reconciliation of movements in shareholders' funds
for the year ended 31 March 2002

	2002 £	2001 £
Profit for the financial year	95,210	186,537
Dividends	(50,000)	(125,000)
Net addition to shareholders funds	45,210	61,537
Shareholders' funds at beginning of year	426,786	365,249
Shareholders' funds at end of year	471,996	426,786

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. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised and the outstanding future 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 wholly attributable to one activity and is derived entirely in the United Kingdom, 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

	2002 £	2001 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	65,420	68,977
Auditors' remuneration	8,000	8,000

4 Staff costs

	2002 £	2001 £
Employee costs (including directors):		
Wages and salaries	887,615	781,726
Social security costs	78,159	70,010
Other pension costs (see note 18)	23,392	27,505
	989,166	879,241

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

	Number of employees 2002	2001
Management	2	4
Administration	7	5
Sales	5	7
Other	31	29
	45	45

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:

	2002 £	2001 £
Director's emoluments	49,930	64,013
Company contributions to money purchase plan	2,500	2,400

Retirement benefits are accruing to no directors (*2001: one director*) under a money purchase plan.

6 Interest receivable

	2002 £	2001 £
Bank interest receivable	-	41

7 Interest payable

	2002 £	2001 £
On bank loans and overdraft	18,395	8,728
On all other loans	29,783	25,451
Finance charges in respect of finance leases and hire purchase contracts	31,967	27,161
	80,145	61,340

Notes (continued)

8 Tax on profit on ordinary activities

Analysis of charge in year

	2002	2001
	£	£
<i>UK corporation tax</i>		
Current tax on income for the year	8,571	21,593
Adjustments in respect of prior year	(14,627)	-
<i>Group relief</i>	(6,056)	21,593
Current tax on income for the year	26,843	69,685
Adjustments in respect of prior year	3,366	(3,905)
Total current tax	30,209	65,780
	24,153	87,373
<i>Deferred tax (see note 14)</i>		
Origination/reversal of timing differences	8,048	(1,375)
Adjustments in respect of prior year	6,786	118
	14,834	(1,257)
Tax on profit on ordinary activities	38,987	86,116

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2001: higher) than the standard rate of corporation tax in the UK 30%, (2001: 30%). The differences are explained below:

	2002	2001
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	134,197	272,653
Current tax at 30% (2001: 30%)	40,259	81,796
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,000	3,900
Difference between capital allowances for year and depreciation	(8,048)	1,375
Depreciation on assets not qualifying for capital allowances	5,389	4,207
Adjustment to tax charge in respect of prior year	(11,261)	(3,905)
Small company rate adjustment	(4,286)	-
Ineligible capital expenditure for which revenue deduction obtained	(900)	-
Total current tax charge (see above)	24,153	87,373

9 Dividends

	2002	2001
	£	£
Dividends	50,000	125,000

Notes *(continued)*

10 Tangible fixed assets

	Land and buildings £	Plant and fittings £	Leased plant and fittings £	Motor vehicles £	Total £
Cost					
At beginning of year	638,315	501,980	69,273	20,145	1,229,713
Additions	180,959	80,740	45,500	17,067	324,266
Disposals	-	-	-	(10,200)	(10,200)
At end of year	819,274	582,720	114,773	27,012	1,543,779
Depreciation					
At beginning of year	69,280	424,297	69,273	8,489	571,339
Charge for year	17,960	37,540	4,775	5,145	65,420
On disposals	-	-	-	(6,821)	(6,821)
At end of year	87,240	461,837	74,048	6,813	629,938
Net book value					
At 31 March 2002	732,034	120,883	40,725	20,199	913,841
At 31 March 2001	569,035	77,683	-	11,656	658,374

Included in the total net book value of motor vehicles is £20,199 (2001: £6,490) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £5,145 (2001: £3,762). The gross book value of land and buildings includes £619,274 (2001: £438,315) of depreciable assets.

The net book value of land and buildings comprises:

	2002 £	2001 £
Freehold	727,833	561,615
Leasehold improvements	4,201	7,420
	732,034	569,035

11 Stocks

	2002 £	2001 £
Miscellaneous	26,841	19,818
Goods for resale	1,268,842	1,521,660
	1,295,683	1,541,478

In addition to the above the company holds consignment stock totalling £235,647 (2001: £227,295). 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

	2002 £	2001 £
Trade debtors	928,062	1,008,006
Amounts owed by group undertakings	30,962	74,799
Other debtors	192,870	131,657
	1,151,894	1,214,462

13 Creditors

	2002		2001	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Bank overdraft	-	-	108,285	-
Bank loans	30,000	570,000	23,333	81,667
Trade creditors	772,690	-	770,743	-
Amounts owed to group undertakings	785,276	-	803,929	-
Corporation tax	8,571	-	21,593	-
Other taxes and social security	104,185	-	38,634	-
Obligations under finance leases and hire purchase agreements	517,671	37,452	569,444	15,472
Stocking loan	297,465	-	150,000	-
Other creditors	131,866	-	165,398	-
Group relief	214,969	-	184,760	-
	2,862,693	607,452	2,836,119	97,139
Repayable between one and two years		55,409		38,537
Repayable between two and five years		142,043		58,602
Repayable after five years		410,000		-
		607,452		97,139

A bank term loan of £600,000 was obtained during the year and is repayable by way of 180 monthly instalments commencing July 2002. This loan bears interest at 1.5% over base rate. It is secured by standard securities over the company's principal properties together with a bond and floating charge over the company's assets.

The bank term loan held at 31 March 2001 was repaid in full during the year.

The used vehicle stocking loan is secured over the relevant used vehicle stocks.

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	23,145	(4,800)	18,345
Profit and loss account	13,634	1,200	14,834
At end of year	36,779	(3,600)	33,179

15 Accruals and deferred income

	2002 £	2001 £
Deferred income	28,700	37,100

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

	2002 £	2001 £
<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	226,786
Retained profit for the year	45,210
At end of year	271,996

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 £23,392 (2001: £27,505). 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 2002 was £7,967,307 (2001: £9,504,740) and £1,435,198 (2001: £1,714,132) 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.