

John Clark (Tayside) Limited

**Directors' report and financial
statements**

Registered number 89721

31 December 2004



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Contents

Directors' report	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 December 2004.

Principal activities

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

Financial

The company did not trade during the year. The profit for the previous year after taxation, as set out in the attached profit and loss account amounted to £77,786 and after payment of dividends of £456,276 the retained loss for the previous year was £378,490.

Directors and directors' interests

The directors who held office during the year and up to the date of this report were as follows:

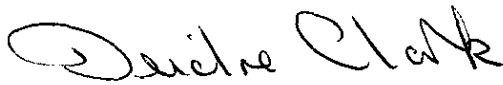
JHS Clark
DVA Clark

The interests of the directors are disclosed in the directors' report of the parent company.

Auditors

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

7 November 2005

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 10.

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

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 December 2004 and of the result 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

15 November 2005

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	2004 £	2003 £
Turnover	2	-	15,396,681
Cost of sales		-	(14,312,264)
Gross profit		-	1,084,417
Administrative expenses		-	(862,385)
Operating profit		-	222,032
Interest payable	6	-	(106,420)
Profit on ordinary activities before taxation	3-5	-	115,612
Tax on profit on ordinary activities	7	-	(37,826)
Profit for the financial year		-	77,786
Dividends on equity shares	8	-	(456,276)
Retained loss for the year		-	(378,490)

Turnover and profit on ordinary activities arose wholly from discontinued operations.

There are no recognised gains or losses other than those shown above.

Balance sheet

at 31 December 2004

	Note	£	2004	£	£	2003	£
Current assets							
Debtors	9	200,000			256,276		
		<u>200,000</u>			<u>256,276</u>		
Creditors: amounts falling due within one year	10	-			(56,276)		
		<u>-</u>			<u>(56,276)</u>		
Net current assets			200,000			200,000	
			<u>200,000</u>			<u>200,000</u>	
Net assets			200,000			200,000	
			<u>200,000</u>			<u>200,000</u>	
Capital and reserves							
Called up share capital	11		200,000			200,000	
Profit and loss account			-			-	
			<u>200,000</u>			<u>200,000</u>	
Equity shareholders' funds			200,000			200,000	
			<u>200,000</u>			<u>200,000</u>	

These financial statements were approved by the board of directors on 7 November 2005 and were signed on its behalf by:

JHS Clark
Director

Statement of reconciliation of movements in shareholders' funds
for the year ended 31 December 2004

	2004 £	2003 £
Profit for the financial year	-	77,786
Dividends	-	(456,276)
Net reduction in shareholders funds	-	(378,490)
Shareholders' funds at beginning of year	200,000	578,490
Shareholders' funds at end of year	200,000	200,000

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.

Taxation

The charge for taxation is based on the profit 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.

2 Turnover

Turnover, which was wholly attributable to one activity and was derived entirely in the United Kingdom, represented the amount (excluding value added tax and licence duties) derived from the provision of goods and services to customers.

3 Profit on ordinary activities before taxation

	2004	2003
	£	£
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	-	61,318
Auditors' remuneration - audit work	-	7,000
- non-audit work	-	4,000

Auditors' remuneration is borne by another group company in the current year.

Notes (continued)

4 Staff costs

Employee costs (including directors):

	2004 £	2003 £
Wages and salaries	-	787,233
Social security costs	-	74,756
Other pension costs (see note 12)	-	17,931
	<u>-</u>	<u>879,920</u>

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

	2004 Number	2003 Number
Management	-	2
Administration	-	8
Sales	-	10
Other	-	30
	<u>-</u>	<u>50</u>

5 Directors' remuneration

The aggregate emoluments of the directors, both of whom are directors of the parent company, are disclosed in the financial statements of that company.

6 Interest payable

	2004 £	2003 £
On bank loans and overdraft	-	32,433
On all other loans	-	50,349
Finance charges in respect of finance leases and hire purchase contracts	-	23,638
	<u>-</u>	<u>106,420</u>

Notes (continued)

7 Tax on profit on ordinary activities

Analysis of charge in year

	2004	2003
	£	£
<i>Group relief</i>		
Current tax on income for the year	-	38,156
Adjustments in respect of prior year	-	(67)
	-	38,089
Total current tax	-	38,089
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	(68)
Adjustments in respect of prior year	-	(195)
	-	(263)
Tax on profit on ordinary activities	-	37,826

Factors affecting the tax charge for the year

The current tax charge for the year is the same as (2003: *higher than*) the standard rate of corporation tax in the UK 30%, (2003: 30%). The differences are explained below:

	2004	2003
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	115,612
Current tax at 30% (2003: 30%)	-	34,684
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	1,202
Difference between capital allowances for period and depreciation	-	68
Other timing differences	-	-
Depreciation on assets not qualifying for capital allowances	-	2,578
Adjustment to tax charge in respect of prior year	-	(67)
Small company rate adjustment	-	(376)
Total current tax charge (see above)	-	38,089

8 Dividends

	2004	2003
	£	£
Dividends paid	-	400,000
Dividends proposed	-	56,276
	-	456,276

Notes (continued)

9 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	200,000	256,276

10 Creditors: amounts falling due within one year

	2004 £	2003 £
Dividends proposed	-	56,276

11 Share capital

	2004 £	2003 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	200,000	200,000

12 Pension scheme

The company subscribed to a defined contribution pension scheme operated by the group and also contributed 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 £nil (2003: £17,931). No contributions were payable to the plans at either year end.

13 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 December 2004 was £12,104,595 (2003: £10,295,233) and £2,248,102 (2003: £1,809,443) respectively.

14 Commitments

The company had no capital commitments at the end of the financial year (2003: none).

15 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.