

BRISTOL STREET MOTORS (BROMLEY) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 1993

Registered number 634024

KIDSONS IMPEY



BRISTOL STREET MOTORS (BROMLEY) LIMITED

DIRECTORS' REPORT

31 December 1993

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1993.

Results and dividends

The profit for the year after taxation amounted to £246,885. It is recommended that no dividend be paid and that the profit of £246,885 be taken to reserves.

Review of business

The principal activities of the company continue to be those of motor vehicle dealers.

The turnover for the year at £29,382,877 was 35% higher than the previous year. The profit on ordinary activities before taxation amounted to £378,266 compared with a loss of £57,576 in the previous year.

The directors consider the state of affairs of the company to be satisfactory, given the support by the parent undertaking.

Fixed assets

The movements in tangible fixed assets during the year are set out in the notes to the financial statements.

Revaluations of freehold and leasehold properties are carried out periodically with the last revaluation being at the end of 1989. Although property values may fall in recessionary periods no adjustment is made to the valuations where the fall is not considered to be of a permanent nature.

Directors

The following were directors of the company at 31 December 1993

A.D. Dawson) Directors of B.S.G.
R.E.C. Marton) International plc
J.B. Tustain)
J. McHutchison
J.R. Owen

Mr. J.R. Owen and Mr. R.E.C. Marton were appointed as directors of the company on 1 April 1993 and 1 August 1993 respectively.

Mr. T.C. Cannon resigned as a director of the company on 10 May 1993.

In accordance with the Articles of Association none of the directors retire.

BRISTOL STREET MOTORS (BROMLEY) LIMITED

DIRECTORS' REPORT

31 December 1993
(continued)

Directors' shareholdings

None of the directors have any beneficial interest in the share capital of the company.

The directors of the parent undertaking disclose their interests in the share capital of B.S.G. International plc in the financial statements of that company. None of the other directors have any beneficial interest in the share capital of B.S.G. International plc.

Officers' insurance

The company has purchased and maintained insurance to cover its officers against liabilities in relation to their duties to the company.

Auditors

The company has elected to dispense with the annual re-appointment of auditors and in the absence of a specific resolution to the contrary Kidsons Impey will continue in office.

Registered Office

Burgess House
1270 Coventry Road
Yardley
Birmingham B25 8BB

By order of the board


R. Thorne

for B.S.G. Secretarial Services Limited

Secretary

30 March 1994

BRISTOL STREET MOTORS (BROMLEY) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 1993

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 of the company for that year.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- state whether applicable accounting standards have been followed, and give details of any departures
- prepare the financial statements on a going concern basis unless in their view the company will be unable to continue in business.

They are also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud

By *R* order of the board

R. Thorne

for B.S.G. Secretarial Services Limited

Secretary

30 March 1994

BRISTOL STREET MOTORS (BROMLEY) LIMITED

AUDITORS' REPORT

Auditors' report to the shareholders of Bristol Street Motors (Bromley) Limited

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 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 at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey

Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

30 March 1994

BRISTOL STREET MOTORS (BROMLEY) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1993

| | Note | 1993 £ | 1992 £ |
|---|------|------------------|------------------|
| Turnover | 2 | 29,382,877 | 21,731,696 |
| Cost of sales | | (24,816,202) | (17,897,476) |
| Gross profit | | <u>4,566,675</u> | <u>3,834,220</u> |
| Distribution costs | | (3,086,620) | (2,805,143) |
| Administrative expenses | | (925,457) | (859,454) |
| Other operating income | | <u>2,755</u> | <u>3,372</u> |
| Operating profit | 3 | <u>557,353</u> | <u>172,995</u> |
| Interest payable | 4 | (179,087) | (230,571) |
| Profit/(loss) on ordinary activities before taxation | | <u>378,266</u> | <u>(57,576)</u> |
| Taxation | 6 | (131,381) | (16,824) |
| Retained profit/(loss) for the year | 15 | <u>246,885</u> | <u>(74,400)</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

31 December 1993

There are no recognised gains or losses other than the profit for the year of £246,885 (1992 loss £74,400).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 1993 £ | 1992 £ |
|-----------------------------|-----------|-----------|
| Profit/(loss) for the year | 246,885 | (74,400) |
| Opening shareholders' funds | 3,663,501 | 3,737,901 |
| | <hr/> | <hr/> |
| Closing shareholder's funds | 3,910,386 | 3,663,501 |
| | <hr/> | <hr/> |

KIDSONS IMPEY

BRISTOL STREET MOTORS (BROMLEY) LIMITED

BALANCE SHEET

at 31 December 1993

| | Note | 1993 | | 1992 | |
|--|------|------|--------------------|------|--------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 5,326,427 | | 5,128,249 |
| Current assets | | | | | |
| Stocks | 8 | | 1,354,706 | | 983,341 |
| Debtors | 9 | | 1,414,586 | | 1,322,689 |
| Cash and short term deposits | 10 | | <u>730,398</u> | | <u>599,597</u> |
| | | | 3,499,690 | | 2,905,627 |
| Creditors: amounts falling due within one year | 11 | | <u>(4,824,069)</u> | | <u>(4,323,530)</u> |
| Net current assets | | | <u>(1,324,379)</u> | | <u>(1,417,903)</u> |
| Total assets less current liabilities | | | 4,002,048 | | 3,710,346 |
| Creditors: amounts falling due after more than one year | 12 | | (662) | | (1,845) |
| Provision for liabilities and charges | | | | | |
| Deferred tax | 13 | | <u>(91,000)</u> | | <u>(45,000)</u> |
| | | | 3,910,386 | | 3,665,501 |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 50,000 | | 50,000 |
| Revaluation reserve | 15 | | 2,443,311 | | 2,443,311 |
| Profit and loss account | 15 | | <u>1,417,075</u> | | <u>1,170,190</u> |
| | | | <u>3,910,386</u> | | <u>3,663,501</u> |

The financial statements on pages 5 to 15 were approved by the board of directors on 30 March 1994



A.D. Dawson - Director

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of freehold property.

Depreciation

Depreciation is calculated on cost or revalued amounts on a straight line basis to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows

| | % |
|--------------------|----------|
| Plant | 10-33.33 |
| Vehicles | 25-50 |
| Office equipment | 10-33.33 |
| Computer equipment | 25-100 |

Dealership freehold buildings are not depreciated as it is the group's policy to maintain buildings used by dealerships in such condition that their residual value, taken as a whole, is at least equal to book value.

Stocks

The basis of valuation is the lower of cost and estimated realisable value. Cost includes materials, direct labour and production overheads where appropriate. Stocks include vehicles on sale or return.

Leases

Assets held under hire purchase contracts are capitalised as tangible fixed assets and depreciated over the shorter of the term of the lease, including any secondary period, and the useful economic life based upon the depreciation policies above. The obligation to pay future rentals is included in creditors net of interest charges allocated to future periods. The finance charge element of rentals is calculated on the reducing balance of capital outstanding and charged to the appropriate accounting period through the profit and loss account.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where such timing differences are anticipated to continue for the foreseeable future no provision is made.

Pensions

The parent undertaking operates a number of defined benefit pension schemes for its employees. All the schemes are funded; liabilities are provided on a systematic basis over the period of employment of scheme members. Variations disclosed by actuarial valuations are spread over the average remaining service lives of current scheme members.

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993
(continued)

1 Principal accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 as it is a wholly owned subsidiary undertaking and the parent undertaking publishes consolidated financial statements which include a consolidated cash flow statement.

2 Turnover

Turnover represents the invoiced value excluding value added tax of goods sold and services provided to customers.

The turnover and loss before taxation are attributable to the principal activities of the company, being those of motor vehicle dealers.

Turnover relates wholly to continuing operations in the United Kingdom.

| 3 Operating profit | 1993 | 1992 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating profit is stated after charging | | |
| Depreciation of tangible fixed assets | | |
| - Owned assets | 160,132 | 121,604 |
| - Assets held under hire purchase contracts | <u>998</u> | <u>1,504</u> |
| | 161,130 | 123,108 |
| | <u> </u> | <u> </u> |
| Profit on sale of tangible fixed assets | (364) | (568) |
| Auditors' remuneration | | |
| - Audit fees | 15,075 | 19,500 |
| - Other services | 925 | 850 |
| Operating lease rentals | | |
| - Hire of plant and machinery | 60,514 | 87,615 |
| | <u> </u> | <u> </u> |
| 4 Interest payable | | |
| Interest payable on loans repayable within 5 years | | |
| Bank overdraft | 149,659 | 228,573 |
| Short term loan | 29,027 | 1,409 |
| Hire purchase contracts | <u>401</u> | <u>589</u> |
| | 179,087 | 230,571 |
| | <u> </u> | <u> </u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

| | | | |
|---|--|------------------|------------------|
| 5 | Directors and employees | 1993 | 1992 |
| | | £ | £ |
| | Staff costs including directors' emoluments | | |
| | Wages and salaries | 2,031,287 | 1,992,002 |
| | Social security costs | 206,051 | 192,945 |
| | Pension costs | <u>7,177</u> | <u>10,767</u> |
| | | <u>2,244,515</u> | <u>2,195,714</u> |
| | Average number of persons employed including executive directors | Number | Number |
| | Production | 38 | 35 |
| | Sales and distribution | 74 | 93 |
| | Administration | <u>18</u> | <u>17</u> |
| | | <u>130</u> | <u>145</u> |
| | Directors' emoluments | £ | £ |
| | For management | 97,744 | 55,530 |
| | Compensation for loss of office | <u>-</u> | <u>50,600</u> |
| | | <u>97,744</u> | <u>105,539</u> |
| | Emoluments excluding pension contributions are analysed as follows | | |
| | Chairman | Nil | Nil |
| | Highest paid director | <u>65,924</u> | <u>28,266</u> |
| | Number of other directors whose emoluments were within the ranges | Number | Number |
| | £0 - £5,000 | 3 | 2 |
| | £30,001 - £35,000 | 1 | 1 |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

| | | | |
|---|---|-------------------|-------------------|
| 6 | Taxation | 1993 | 1992 |
| | | £ | £ |
| | The taxation charge comprises | | |
| | U.K. corporation tax at 33% (1992 33%) | 88,000 | (28,176) |
| | Deferred tax | 46,000 | 45,000 |
| | Prior year's adjustment - corporation tax | <u>(2,619)</u> | <u>-</u> |
| | | 131,381 | 16,824 |
| | | <u> </u> | <u> </u> |

| | | | | |
|---|-----------------------|-------------------|--------------------|------------------|
| 7 | Tangible fixed assets | Freehold property | Plant and vehicles | Total |
| | Cost or valuation | £ | £ | £ |
| | 1 January 1993 | 4,639,551 | 887,358 | 5,526,909 |
| | Additions | - | 529,704 | 529,704 |
| | Disposals | <u>-</u> | <u>(238,111)</u> | <u>(238,111)</u> |
| | 31 December 1993 | <u>4,639,551</u> | <u>1,178,951</u> | <u>5,818,502</u> |
| | Depreciation | | | |
| | 1 January 1993 | - | 398,660 | 398,660 |
| | Charge for the year | - | 161,130 | 161,130 |
| | Disposals | <u>-</u> | <u>(67,715)</u> | <u>(67,715)</u> |
| | 31 December 1993 | <u>-</u> | <u>492,075</u> | <u>492,075</u> |
| | Net book amount | | | |
| | 31 December 1993 | <u>4,639,551</u> | <u>686,876</u> | <u>5,326,427</u> |
| | 31 December 1992 | <u>4,639,551</u> | <u>488,698</u> | <u>5,128,249</u> |

The net book amount of plant and vehicles includes £1 (1992 £999) in respect of assets held under hire purchase contracts.

All tangible fixed assets are shown at cost with the exception of freehold property which comprises £4,250,000 at valuation in 1989 and subsequent additions at cost of £389,551.

| | | |
|--|------------------|------------------|
| Historical cost information | 1993 | 1992 |
| | £ | £ |
| Historical cost of freehold property | 2,196,240 | 2,196,240 |
| Accumulated depreciation based on cost | <u>-</u> | <u>-</u> |
| Net book amount | <u>2,196,240</u> | <u>2,196,240</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

| 8 | Stocks | 1993 £ | 1992 £ |
|------|-------------------------------------|------------------|------------------|
| | Vehicle and accessory stock | 1,336,965 | 957,606 |
| | Work in progress | <u>17,741</u> | <u>25,735</u> |
| | | <u>1,354,706</u> | <u>983,341</u> |
| | | | |
| 9 | Debtors | | |
| | Trade debtors | 1,107,295 | 974,753 |
| | Amounts owed by fellow subsidiaries | 78,049 | 164,697 |
| | Corporation tax recoverable | - | 24,332 |
| | Other debtors | 17,317 | - |
| | Prepayments and accrued income | <u>211,925</u> | <u>158,907</u> |
| | | <u>1,414,586</u> | <u>1,322,689</u> |
| | | | |
| 10 | Cash and short term deposits | | |
| | Cash at bank and in hand | 2,406 | 1,755 |
| | Short term deposits | <u>727,992</u> | <u>597,842</u> |
| | | <u>730,398</u> | <u>599,597</u> |

KIDSONS IMPEY

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

| | | | |
|----|--|------------------|------------------|
| 11 | Creditors: amounts falling due within one year | 1993 | 1992 |
| | | £ | £ |
| | Trade creditors | 953,064 | 633,741 |
| | Amount owed to parent undertaking | 3,278,130 | 3,165,318 |
| | Amounts owed to fellow subsidiaries | 43,717 | 70,671 |
| | Corporation tax payable | 62,000 | - |
| | Other taxes and social security | 73,222 | 99,993 |
| | Accruals | 412,753 | 352,813 |
| | Hire purchase obligations | <u>1,183</u> | <u>994</u> |
| | | <u>4,824,069</u> | <u>4,323,530</u> |

12 Creditors: amounts falling due after more than one year

| | | |
|---|-----------------|-----------------|
| Finance lease obligations payable in the second to fifth year | 662 | 1,845 |
| | <u> </u> | <u> </u> |

13 Deferred tax

The deferred tax liability at 31 December 1993 arising on timing differences, calculated on the liability method at 33% (1992 33%) is as follows:

| | Potential liability £ | 1993 Amount provided £ | Potential liability £ | 1992 Amount provided £ |
|---------------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| Accelerated capital allowances | 91,000 | 91,000 | 61,000 | 45,000 |
| Other timing differences | - | - | (1,000) | - |
| Industrial buildings allowances | <u>46,000</u> | <u> </u> | <u>9,000</u> | <u> </u> |
| | <u>137,000</u> | <u>91,000</u> | <u>69,000</u> | <u>45,000</u> |

The potential liability which might arise on properties being sold at their revalued amounts has not been quantified as the directors have no present intention of disposing of the properties.

14 Called up share capital (1993 and 1992)

| | | |
|----------------------------|-----------------|--------------------------|
| | Authorised | Issued and fully paid |
| | £ | £ |
| Ordinary shares of £1 each | 50,000 | 50,000 |
| | <u> </u> | <u> </u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

| 15 Reserves | Revaluation reserve £ | Profit and loss account £ | Total £ |
|------------------------------|-----------------------------|---------------------------------|------------------|
| Balance at 1 January 1993 | 2,443,311 | 1,170,190 | 3,613,501 |
| Retained profit for the year | <u>-</u> | <u>246,885</u> | <u>246,885</u> |
| Balance at 31 December 1993 | <u>2,443,311</u> | <u>1,417,075</u> | <u>3,860,386</u> |

16 Transactions involving directors

Directors' interest in contracts

No director has had any beneficial interest in any material contract to which the company was a party.

17 Capital commitments

Capital expenditure authorised up to 31 December 1993 but not provided in these financial statements amounted to £18,770 (1992 £Nil) in respect of which contracts for £Nil (1992 £Nil) had been placed.

18 Leasing obligations

Obligations under finance lease and hire purchase contracts are repayable as follows

| | 1993 £ | 1992 £ |
|------|-----------------|-----------------|
| 1994 | 697 | 2,093 |
| | <u> </u> | <u> </u> |

Financial commitments under operating leases will result in the following payments falling due in the year to 31 December 1994

| Date of lease expiry | Plant and vehicles £ |
|-----------------------|----------------------------|
| 1996 to 1998 | 19,918 |
| After 1998 | <u>2,040</u> |
| Total payable in 1994 | <u>21,958</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

19 Contingent liabilities

The company has given a joint and several guarantee in respect of the parent undertaking's indebtedness to Barclays Bank PLC.

Certain freehold properties of the company together with those of certain other fellow subsidiary undertakings are subject to a charge to secure the debenture stock of the parent undertaking which is to be redeemed on 31 March 1994.

20 Pensions

Pension costs have been assessed in accordance with advice received from the actuary to the schemes on the basis of reviews carried out for the purpose of Statement of Standard Accounting Practice No.24. Pension costs were assessed using the projected unit actuarial costing method based on assumptions including a long term rate of investment return on assets of 9% per annum, a general rate of increase in members' earnings 2% less than this figure, pension increases in accordance with the scheme rules and appropriate allowances for mortality, members leaving service and early retirements.

Actuarial valuations of all schemes are carried out triennially and full details of the valuation at 31 March 1992 appear in the published financial statements of the parent undertaking.

21 Ultimate parent undertaking

The company is a direct subsidiary of B.S.G. International plc, a company incorporated in England.

The parent undertaking is a publicly quoted company and as such copies of its published accounts are available from Burgess House, 1270 Coventry Road, Birmingham B25 8BB.