

G.E. HARPER LTD
ANNUAL REPORT
31 DECEMBER 1999



COMPANY NUMBER:00538332

G.E. HARPER LTD

31 DECEMBER 1999

CONTENTS

	Page
Company information	1
Report of the Directors	2 - 3
Statement of Directors' responsibilities	3
Report of the Auditors	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7 - 13

G.E. HARPER LTD

COMPANY INFORMATION

Directors	A B Murray	Resigned 15 February 1999
	A L W Brown	Appointed 15 February 1999
	A M Davis	Appointed 15 February 1999
		Resigned 31 July 1999
	A M Biggs	Appointed 31 July 1999
Secretary	Mrs B Booth	
Registered office	Centre House	
	Village Way	
	Trafford Park	
	Manchester	
	M17 1QG	
Registered number	00538332	
Auditors	PricewaterhouseCoopers	
	Manchester	
	M2 3PW	

G. E. HARPER LTD

REPORT OF THE DIRECTORS

The directors of G E Harper Limited submit their report and the audited accounts for the year ended 31 December 1999.

REVIEW OF THE BUSINESS/FUTURE DEVELOPMENTS

The principal activities of the company were those of contract hire, leasing and fleet management of motor vehicles. The activities effectively ceased in 1998.

RESULTS AND DIVIDENDS

Results for the year are shown on page 5.

The directors do not recommend the payment of a dividend (1998 - £Nil), and the profit after tax of £481,092 was transferred to reserves. (1998: £312,603 loss).

The directors consider the company's state of affairs to be satisfactory.

DIRECTORS AND DIRECTORS' SHAREHOLDINGS

The directors who served during the year and at the date of this report, are shown on page 1.

At 31 December 1999 A M Biggs and A L W Brown were directors of the ultimate parent company, Quicks Group plc, and their notifiable interests are shown in the financial statements of that company.

G. E. HARPER LTD

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by Company Law 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 period. In preparing those financial statements, the directors are required to:

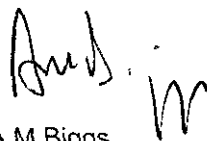
- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare 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 also 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 are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the next Annual General Meeting.

The Report of the Directors was approved by the Board on 29 January 2001 and signed on its behalf by:



A M Biggs

Director

AUDITORS' REPORT TO THE MEMBERS OF G. E. HARPER LTD

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

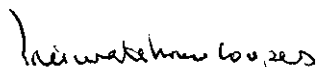
Basis of opinion

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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

101 Barbirolli Square
Lower Mosley Street
Manchester M2 3PW

29 January 2001

G. E. HARPER LTD**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 1999**

	<u>1999</u> £	<u>1998</u> £
TURNOVER (Note 2)	-	27,061
Cost of sales	-	(38,703)
	<hr/>	<hr/>
GROSS LOSS	-	(11,642)
Administrative expenses	(6,922)	(324,959)
Other operating income (Note 3)	588,000	30,000
	<hr/>	<hr/>
OPERATING PROFIT	581,078	(306,601)
EXCEPTIONAL ITEMS		
Profit on disposal	117,639	-
	<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 4)	698,717	(306,601)
Taxation (Note 6)	<u>(117,175)</u>	<u>(6,002)</u>
PROFIT/(LOSS) FOR THE YEAR TRANSFERRED TO RESERVES (Note 13)	<u>581,542</u>	<u>(312,603)</u>

There were no recognised gains or losses other than those shown above. The above results are in respect of discontinued operations.

The difference between historical cost depreciation charge and actual depreciation charge for the year is not material.

The notes on pages 7 to 13 form part of these accounts.

G. E. HARPER LTD

BALANCE SHEET 31 DECEMBER 1999

	<u>1999</u> £	<u>1998</u> £
FIXED ASSETS		
Tangible assets (Note 7)	496	648,038
Investments (Note 8)	<u>509,488</u>	<u>509,488</u>
	509,984	1,157,526
CURRENT ASSETS		
Stocks – vehicles	-	11,097
Debtors (Note 9)	<u>2,900,569</u>	<u>304,132</u>
	2,900,569	315,229
CREDITORS – Amounts falling due within one year		
Trade creditors	-	(1,486)
Other creditors (Note 10)	(2,350,458)	(399,619)
Loans (Note 11)	-	(5,097)
	<u>(2,350,458)</u>	<u>(406,202)</u>
NET CURRENT ASSETS/ (LIABILITIES)	550,111	(90,973)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,060,095	1,066,553
CREDITORS - Amounts falling due after more than one year		
Other creditors (Note 10)	-	(588,000)
	<u>1,060,095</u>	<u>478,553</u>
CAPITAL AND RESERVES		
Called up equity share capital (Note 12)	520,000	520,000
Profit and loss account (Note 13)	<u>540,095</u>	<u>(41,447)</u>
EQUITY SHAREHOLDERS' FUNDS (Note 14)	<u>1,060,095</u>	<u>478,553</u>

The financial statements were approved by the Board on 29 January 2001 and signed on its behalf by:


A M Biggs
DIRECTOR

The notes on pages 7 to 13 form part of these accounts.

G. E. HARPER LTD

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and have been prepared in accordance with applicable accounting standards.

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Quicks Group plc which publishes a consolidated cash flow statement.

The company has taken advantage of the exemption provision in Section 228 Companies Act 1985 not to prepare consolidated accounts.

(b) Depreciation

Depreciation is provided in equal amounts to allocate the cost less estimated residual values of tangible fixed assets having a finite useful life to the periods expected to benefit from their use, at the following annual rates:

Freehold and long lease buildings	- 1%
Fixture, fittings and equipment	- 10% to 20%
Vehicles	- 25% to 33 $\frac{1}{3}$ %

No depreciation is provided on freehold land.

(c) Taxation

Taxation is based on the results for the year and takes into account deferred taxation created by timing differences between the treatment of certain items for accounting and taxation purposes.

Provision is made at the appropriate rates of taxation for liabilities arising from the allocation of items to different periods for taxation and accounting purposes, to the extent that there is reasonable probability that such taxation will become payable in the foreseeable future.

(d) Finance leases

Tangible fixed assets acquired under the terms of finance leases are capitalised at cost and depreciated in the same manner as owned assets. The capital element of future lease payments is included as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Lease premiums received in advance of rentals of land and buildings are recognised in the profit and loss account on a straight line basis over the period of the lease agreements. The deferred tax asset arising on the timing difference between the period in which the lease premium is included within prepayments if appropriate.

(e) Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price after taking into account any further costs expected to be incurred.

G. E. HARPER LTD

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES CONTINUED

(f) Properties

Freehold and long leasehold land and buildings are revalued periodically on the basis of market value for the existing use. Any surpluses on revaluation are transferred to revaluation reserve.

2 ANALYSIS OF TURNOVER AND PROFIT

Turnover, which excludes Value Added Tax, represents rentals received from vehicle leasing. The directors consider that the whole of the turnover arises from one class of business and is derived within the United Kingdom.

3 OTHER OPERATING INCOME

	<u>1999</u> £	<u>1998</u> £
Lease premium amortisation	588,000	30,000

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	<u>1999</u> £	<u>1998</u> £
Depreciation	333	3,170
Auditors' remuneration	3,000	3,000
Deficit on revaluation of properties	-	366,459

Fees for other services provided by auditors during the year were £Nil (1998: £Nil).

5 DIRECTORS' EMOLUMENTS

No directors received any emoluments in either the current or previous year.

G. E. HARPER LTD

NOTES TO THE ACCOUNTS

6 TAXATION

	<u>1999</u> £	<u>1998</u> £
Corporation tax on the result for the year at 30.25% (1998 - 31%):		
- current year	842	(959)
- prior year	-	(2,039)
Deferred taxation	<u>116,333</u>	<u>9,000</u>
	<u>117,175</u>	<u>6,002</u>

7 TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u> £	<u>Fixtures fittings and Equipment</u> £	<u>Total</u> £
COST OR VALUATION			
At 31 December 1998	650,000	16,091	666,091
Additions	-	22,321	22,321
Disposals	<u>(650,000)</u>	<u>(22,321)</u>	<u>(672,321)</u>
At 31 December 1999	-	16,091	16,091
DEPRECIATION			
At 31 December 1998	2,791	15,262	18,053
Charged in the year	-	333	333
Disposals	<u>(2,791)</u>	<u>-</u>	<u>(2,791)</u>
At 31 December 1999	-	15,595	15,595
NET BOOK AMOUNT			
At 31 December 1999	-	496	496
At 31 December 1998	<u>647,209</u>	<u>829</u>	<u>648,038</u>

G. E. HARPER LTD

NOTES TO THE ACCOUNTS

7 TANGIBLE FIXED ASSETS (CONTINUED)

On 1 October 1997 the freehold land and buildings were valued by Mead-Briggs Chartered Surveyors on an existing use basis as follows:

	<u>1999</u> £	<u>1998</u> £
At professional valuation made in 1997	-	650,000
At cost	<u>-</u>	<u>-</u>
	-	650,000
Less: accumulated depreciation	<u>-</u>	<u>(2,791)</u>
Net book amount	<u>-</u>	<u>647,209</u>

The comparable amounts determined according to the historical cost convention for assets included above at valuation and cost are:

	<u>1999</u> £	<u>1998</u> £
Cost	-	1,025,000
Depreciation	<u>-</u>	<u>(14,235)</u>
	-	1,010,765

8 FIXED ASSETS INVESTMENTS

COST

As at 31 December 1998 and 31 December 1999

£
666,528

PROVISIONS

As at 31 December 1998 and 31 December 1999

157,040

NET BOOK AMOUNT

As at 31 December 1998 and 31 December 1999

509,488

G. E. HARPER LTD

NOTES TO THE ACCOUNTS

8 FIXED ASSETS INVESTMENTS (CONTINUED)

The company's subsidiaries at 31 December 1999 and their activities were:

Name of undertaking	Activities
Executive Motors (Stevenage) Limited	Motor Dealership
G.E.Harper (Specialist Cars) Limited	Non - Trading
E C Fleming Limited	Non - Trading
G.E.Harper (Lytton Way) Limited	Non - Trading

All subsidiaries above are wholly owned, carry on their activities and are registered in England and Wales.

In the opinion of the directors, the value of the aggregate investment in each subsidiary is not less than the amount at which it is stated in these accounts.

9 DEBTORS

	<u>1999</u>	<u>1998</u>
	£	£
Trade debtors	-	6,026
Prepayments	-	10,482
Other debtors	22,411	432
Due from group undertakings	2,878,041	12,575
Deferred taxation	-	116,333
Corporation tax	<u>117</u>	<u>158,284</u>
	<u>2,900,569</u>	<u>304,132</u>

10 OTHER CREDITORS

	<u>1999</u>	<u>1998</u>
	£	£
Due within one year:		
Accruals	-	3,925
Due to group undertakings	<u>2,350,458</u>	<u>395,694</u>
	<u>2,350,458</u>	<u>399,619</u>
Due after more than one year:		
Accruals and deferred income	-	588,000
	<u>-</u>	<u>588,000</u>

G.E.HARPER LTD

NOTES TO THE ACCOUNTS

11 LOANS

	<u>1999</u> £	<u>1998</u> £
Due within one year :		
Net obligations under hire purchase agreements and finance leases	<u> </u>	<u>5,097</u>
	-	5,097
	<u> </u>	<u> </u>

12 SHARE CAPITAL

	<u>1999</u> £	<u>1998</u> £
Authorised		
17,000 Preference shares of £1 each (4.9%net)	17,000	17,000
520,000 Ordinary shares of £1 each	520,000	520,000
250 Unclassified shares of £1 each	<u>250</u>	<u>250</u>
	537,250	537,250
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
520,000 Ordinary shares of £1 each	<u>520,000</u>	<u>520,000</u>
	<u> </u>	<u> </u>

13 RESERVES

	<u>Total</u> £
Balance at 31 December 1998	(41,447)
Profit for the year	<u>581,542</u>
Balance at 31 December 1999	<u>540,095</u>

G.E.HARPER LTD

NOTES TO THE ACCOUNTS

14 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS'S FUNDS

	<u>1999</u>	<u>1998</u>
	£	£
Profit/(loss) for the financial year	581,542	(312,603)
Opening equity shareholders funds	<u>478,553</u>	<u>791,156</u>
Closing equity shareholders funds	<u>1,060,095</u>	<u>478,553</u>

15 PARENT COMPANY

The company is a wholly owned subsidiary of Godfrey Davies Motor Group Limited which is registered in England and Wales. Quicks Group plc is the ultimate parent company, and is the parent undertaking of the smallest and largest group to consolidate the accounts of G E Harper Limited

Copies of the group accounts are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

16 RELATED PARTY TRANSACTION

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under Financial Reporting Standard No. 8 "Related Party Disclosures", as the consolidated accounts of Quicks Group plc, in which the company is included, are available at the address noted above.