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G E HARPER LIMITED

COMPANY INFORMATION

DIRECTORS:

MR P C E HARPER
MR E M WEBB
MR R W EGNER
MRS D M HARPER
MRS E J WEBB

SECRETARY:

MR R W EGNER

REGISTERED OFFICE:

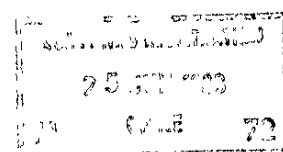
LYTTON WAY
STEVENAGE
HERTFORDSHIRE
SG1 3HL

AUDITORS:

NEVILLE RUSSELL
1 TELFORD WAY
LUTON
BEDFORDSHIRE
LU1 1HT

BANKERS:

LLOYDS BANK PLC



G E HARPER LIMITED
REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 1987.

REVIEW OF THE BUSINESS

The principal activity of the company and group continued to be that of garage proprietors. Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The results of the group for the year ended 31 December 1987 are set out in the financial statements on pages 5 to 18.

The directors do not recommend the payment of a dividend on the ordinary share capital. Members will be asked to confirm the proposed dividend on the preference shares shown in these financial statements. Retained profits of £259942 have been transferred to reserves.

FIXED ASSETS

Details of the changes in fixed assets are given in Note 9 to the financial statements. In accordance with SSAP 19 the directors estimate the value of the company's investment property to be £600000. Other freehold and leasehold property owned by the group has, in the opinion of the directors, a market value considerably in excess of its book value.

DIRECTORS

The directors set out below, have held office during the whole of the period from 1 January 1987 to the date of this report, unless otherwise stated. The interests of the directors, holding office on 31 December 1987 in the shares of the company, according to the Register of Directors' Interests, were as shown below:-

	<u>1 January 1987 or date of appointment</u> <u>and 31 December 1987</u>	
	<u>Ordinary</u>	<u>Preference</u>
Mr P C E Harper	9062	2250
Mr E M Webb	4563	-
Mr R W Egner	-	-
Mrs D M Harper (appointed 29.1.87)	5125	2210
Mrs E J Webb (appointed 22.8.87)	-	1875

Mr E M Webb retires by rotation at the Annual General Meeting and, being eligible, offers himself for re-election. Mrs E J Webb having been appointed since the last Annual General Meeting, retires in accordance with the Articles of Association and, being eligible, offers herself for re-election.

G E HARPER LIMITED

REPORT OF THE DIRECTORS

- CONTINUED -

TAXATION STATUS OF THE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Neville Russell, have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

BY ORDER OF THE BOARD



Secretary
R W Egner

Lytton Way
Stevenage
Hertfordshire
SG1 3HL

16 June 1988

REPORT OF THE AUDITORS TO THE MEMBERS

OF

G E HARPER LIMITED

We have audited the financial statements on pages 5 to 18 in accordance with approved Auditing Standards.

In our opinion, the financial statements which have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, give a true and fair view of the state of affairs of the company and the group at 31 December 1987 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

NEVILLE RUSSELL
Chartered Accountants

1 Telford Way
Luton
Bedfordshire
LU1 1HT

16 June 1988

G E HARPER LIMITED AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1987

		<u>1987</u>	<u>1986</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
· TURNOVER	2	10358720	8285025
Cost of sales		(9253880)	(7499494)
GROSS PROFIT		1104840	785531
Administrative expenses		(648181)	(524574)
Other operating income		<u>67140</u>	<u>64248</u>
OPERATING PROFIT		523799	325205
Interest payable and similar charges		<u>(47252)</u>	<u>(35583)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	476547	289622
Taxation on profit on ordinary activities	6	<u>(174816)</u>	<u>(85374)</u>
· PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		301731	204248
Profit on ordinary activities attributable to minority interests		<u>(40956)</u>	<u>(24774)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		260775	179474
Preference dividend	7	<u>(833)</u>	<u>(869)</u>
RETAINED PROFIT FOR THE YEAR ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	8	£ 259942 =====	£ 178605 =====

BALANCE SHEET 31 DECEMBER 1987

Approved by the board on 16 June 1988
and signed on its behalf

P C E Harper)
Directors
E M Webb)

G E HARPER LIMITED AND SUBSIDIARIES

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 DECEMBER 1987

SOURCE OF FUNDS	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Profit before taxation less minority interests	435591	264848
Adjustment for items not involving the movement of funds:		
Depreciation	322327	259018
Minority interests in the retained profits for the year	40956	24774
Profit on sale of fixed assets	<u>(62877)</u>	<u>(30716)</u>
FUNDS GENERATED FROM OPERATIONS	735997	517924
FUNDS FROM OTHER SOURCES		
Sale of fixed assets	<u>177336</u>	<u>121957</u>
	<u>913333</u>	<u>639881</u>
APPLICATION OF FUNDS		
Dividend paid	881	833
Repayment of loan capital	12400	5491
Hire purchase repayments	-	4000
Tax paid	161136	82496
Purchase of fixed assets	<u>764016</u>	<u>409070</u>
	<u>938433</u>	<u>501890</u>
	£ (25100) =====	£ 137991 =====
MOVEMENTS IN WORKING CAPITAL		
Increase in stocks	302076	185204
Increase in debtors	278285	31224
(Increase) decrease in creditors falling due within one year	<u>(286705)</u>	<u>13913</u>
	<u>293656</u>	<u>230341</u>
Movement in net liquid funds:		
(Decrease) in cash at bank and in hand	(25082)	(269924)
(Increase) decrease in bank overdrafts	<u>(293674)</u>	<u>177574</u>
	<u>(318756)</u>	<u>(92350)</u>
	£ (25100) =====	£ 137991 =====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

1. ACCOUNTING POLICIES

(a) Basis of preparation of group financial statements

The group financial statements, which are prepared under the historical cost convention, modified to include the revaluation of certain land and buildings, consolidate the financial statements of the company and its subsidiaries, (except the one referred to in note 10), made up to 31 December 1987. No profit and loss account is presented for G E Harper Limited as provided by S228(7) of the Companies Act 1985.

The profits and losses of subsidiary companies are consolidated from the date of acquisition or to the date of disposal. The difference between the cost of acquisition of shares in subsidiaries and the amount attributed to their net tangible assets at the effective date of purchase is added to reserves as premium arising on consolidation.

(b) Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers outside the group.

(c) Depreciation

Freehold buildings are depreciated to write off the cost less estimated residual value over the remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their net book value at any given time, no depreciation is charged.

No depreciation is provided on investment property which has been revalued in compliance with SSAP 19.

Leasehold property is written off over the duration of the lease on a straight line basis.

Plant, fixtures, fittings and equipment are written off on a reducing balance basis and motor vehicles on a straight line basis over their effective useful lives.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated on the basis of actual cost in the case of motor vehicles and on the first in, first out basis in the case of parts and other stocks.

(e) Deferred taxation

Deferred tax is provided on all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

(f) Investment property

Investment property is revalued annually by the directors and the aggregate surplus or deficit arising is transferred to the revaluation reserve.

(g) Assets leased to third parties under finance leases

Lease payments received are apportioned between repayments of capital and interest so that earnings for each accounting period are a constant percentage of the remaining balance of the capital sum outstanding.

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

1. ACCOUNTING POLICIES (CONTINUED)

(h) Assets leased to third parties under operating leases

Assets leased to third parties under operating leases are capitalised and rental income credited to the profit and loss account on a straight line basis over the lease term.

2. TURNOVER

The turnover and pre-tax profit is attributable to the principal activity of garage proprietors. The whole of the turnover is to the UK market.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated:

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
after crediting:-		
Rent received under finance leases	134834	68044
Rent received under operating leases	269033	305758
Property rent received	71496	71496
Profit on sale of tangible fixed assets	62877	30716
	=====	=====
after charging:-		
Depreciation of tangible fixed assets	322327	259018
Auditors' remuneration	15000	14230
Emoluments of directors (Note 5)	195714	163800
Directors' pension contributions	2507	45284
Interest payable:		
Bank loans, overdrafts and other loans wholly repayable within 5 years	57197	49253
	=====	=====

4. STAFF COSTS

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Wages and salaries	859785	689086
Social security costs	82296	67915
Other pension costs	18367	56675
	=====	=====
	£ 960448	£ 813676
	=====	=====

The average number of persons employed by the group (including directors) during the year was as follows:

	<u>Number</u>	<u>Number</u>
Management	10	9
Administration	20	23
Production	23	18
Sales	13	11
	=====	=====
TOTAL EMPLOYEES	66	61
	=====	=====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

5. DIRECTORS

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Emoluments for management services	195714	163800
	=====	=====

The emoluments of directors disclosed above
(excluding contributions to pension scheme)
included amounts paid to:

	<u>£</u>	<u>£</u>
The chairman and highest paid director	84537	78500
	=====	=====

The number of other directors who received
emoluments (excluding pension contributions)
in the following ranges was:-

	<u>Number</u>	<u>Number</u>
Up to £5000	2	-
£15000 - £20000	-	1
£20001 - £25000	1	-
£65001 - £70000	-	1
£80001 - £85000	1	-
	=====	=====
	4	2
	=====	=====

6. TAXATION

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
Corporation tax @ 35% (1986 36.25%)	180326	127765
Deferred taxation	(2341)	(33413)
Prior year adjustment	(3169)	(8978)
	£ 174816	£ 85374
	=====	=====

7. DIVIDENDS

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Preference dividend proposed	833	869
	=====	=====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

8. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Dealt with in the accounts of the company	57060	35348
Retained by subsidiary companies	<u>202882</u>	<u>143257</u>
	£ 259942	£ 178605
	=====	=====

9. TANGIBLE FIXED ASSETS

<u>The Group</u>	<u>Land and Buildings</u>			<u>Plant, Fixtures, Fittings & Equipment</u>		<u>Motor Vehicles</u>	<u>Total</u>
	<u>Freehold Property</u>	<u>Leasehold Property</u>	<u>Investment Property</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST OR VALUATION</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January 1987	330461	212005	477500	367226	748189	2135381	
Surplus on revaluation	-	-	132500	-	-	132500	
Additions	57489	-	-	96796	609731	764016	
Disposals	<u>-</u>	<u>-</u>	<u>(10000)</u>	<u>(34795)</u>	<u>(328158)</u>	<u>(372953)</u>	
At 31 December 1987	<u>387950</u>	<u>212005</u>	<u>600000</u>	<u>429227</u>	<u>1029762</u>	<u>2658944</u>	
<u>DEPRECIATION</u>							
At 1 January 1987	-	29952	-	241016	322805	593773	
Charge for the year	-	9000	-	39111	274216	322327	
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28311)</u>	<u>(222183)</u>	<u>(250494)</u>	
At 31 December 1987	<u>-</u>	<u>38952</u>	<u>-</u>	<u>251816</u>	<u>374838</u>	<u>665606</u>	
<u>NFT BOOK VALUES</u>							
At 31 December 1987	£ 387950	£ 173053	£ 600000	£ 177411	£ 654924	£ 1993338	
	=====	=====	=====	=====	=====	=====	
At 31 December 1986	£ 330461	£ 182053	£ 477500	£ 126210	£ 425384	£ 1541608	
	=====	=====	=====	=====	=====	=====	
Rates of depreciation	Nil	Over period of lease	Nil	15%-25%	25%-33%		
Cost or Valuation at 31 December 1987 is represented by:							
Directors' valuation at 31 December 1987	-	-	600000	-	-	600000	
Cost	<u>387950</u>	<u>212005</u>	<u>-</u>	<u>429227</u>	<u>1029762</u>	<u>2046737</u>	
	£ 387950	£ 212005	£ 600000	£ 429227	£ 1029762	£ 2646737	
	=====	=====	=====	=====	=====	=====	

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

9. TANGIBLE FIXED ASSETS (continued)

The Company

	<u>Land and Buildings</u>		<u>Motor</u>	
	<u>Freehold</u>	<u>Investment</u>	<u>Vehicles</u>	<u>Total</u>
	<u>Property</u>	<u>Property</u>		
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION				
At 1 January 1987	132855	477500	748189	1358544
Surplus on revaluation	-	132500	-	132500
Additions	-	-	609731	609731
Disposals	-	(10000)	(328158)	(338158)
At 31 December 1987	132855	600000	1029762	1762617
DEPRECIATION				
At 1 January 1987	-	-	322805	322805
Charge for the year	-	-	274216	274216
Disposals	-	-	(222183)	(222183)
At 31 December 1987	-	-	374838	374838
NET BOOK VALUES				
At 31 December 1987	£ 132855	£ 600000	£ 654924	£ 1387779
At 31 December 1986	£ 132855	£ 477500	£ 425384	£ 1035739
Rates of depreciation	Nil	Nil	25%-33%	
Cost or Valuation at 31 December 1987 is represented by:				
Directors' valuation at 31 December 1987	-	600000	-	600000
Cost	132855	-	1029762	1162617
	£ 132855	£ 600000	£ 1029762	£ 1762617

At 31 December 1987 the investment property was valued on an open market basis by the directors at £600000.

If the investment property had not been revalued it would have been included at cost of £97101.

Investment property wholly comprises freehold land and buildings.

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

10. FIXED ASSETS -- INVESTMENTS -- GROUP COMPANIES

	<u>Subsidiaries not Consolidated</u>	<u>Company</u>
	<u>Shares</u>	<u>Shares</u>
COST	<u>£</u>	<u>£</u>
At 1 January 1987 and 31 December 1987	£ 2 ==	£ 69528 =====

Details of the company's subsidiaries at 31 December 1987 are:

<u>Name</u>	<u>Country of Registration or Incorporation</u>	<u>Class of Shares Held</u>	<u>Percentage Held by the Company</u>	<u>Percentage Held by a Subsidiary</u>
Harper Euro Cars (Stevenage) Limited	England	Ordinary	100%	-
G E Harper (Specialist Cars) Limited	England	Ordinary	100%	-
E C Fleming and Son Limited	England	Ordinary	100%	-
Harper Enterprises Limited	England	Ordinary	100%	-
Specialist Cars Limited	England	Ordinary	-	76%
GEH (Lytton Way Motors) Limited	England	Ordinary	2%	-

The company owns two of the 100 ordinary shares of GEH (Lytton Way Motors) Limited and under the Articles of Association has the power to appoint and remove the majority of its Board of Directors. The company has little interest in the year's results and the financial statements have not been consolidated as, in the opinion of the directors, they would be of no real value to the members of the company. The net aggregate amount of post acquisition revenue profits of this company not consolidated are:

	<u>£</u>
Profits for the year ended 31 December 1987 after tax	6619
Profit of previous financial periods	<u>41067</u>
	£ 47686 =====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

11. STOCKS

	<u>The Group</u>		<u>The Company</u>	
	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Motor vehicles and deposits	879921	610423	-	-
Parts and accessories	170621	130939	-	-
Petrol, oil and lubricants	8124	15744	-	-
Other stocks	<u>5102</u>	<u>4586</u>	-	-
	£ 1063768	£ 761692	£ -	£ -
	=====	=====	=====	=====

12. RELATED COMPANIES

The term used does not refer to related companies as defined in the Fourth Schedule of the Companies Act 1985 but relates to those companies where there are substantial common shareholdings as follows:-

Harper Self-Drive Limited
Stevenage Finance Company Limited
Letchworth Finance Company Limited

13. ASSETS LEASED TO THIRD PARTIES UNDER FINANCE LEASES

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
The net investment comprises:		
Total lease payments receivable	281147	135208
Less: Income allocated to future period	<u>(65195)</u>	<u>(30915)</u>
	215952	104293
Add: Terminal payments due on completion of lease term	<u>124030</u>	<u>68360</u>
Net investment at 31 December 1987	£ 339982	£ 172653
	=====	=====

Vehicles costing £283749 were purchased during the year for the purpose of letting under finance lease.

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

14. DEBTORS

	<u>The Group</u>		<u>The Company</u>	
	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
DUE WITHIN ONE YEAR				
Trade debtors	256217	152067	13265	7172
Finance lease income receivable	141310	73948	141310	73948
Amounts owed by subsidiary companies	-	-	21110	21044
Amounts owed by related companies	15782	18411	6108	3446
Other debtors	19311	5851	1545	631
Prepayments and accrued income	22691	26843	7530	5613
	455311	277120	190868	111854
DUE AFTER ONE YEAR				
Finance lease income receivable	198672	98705	198672	98705
	£653983	£375825	£389540	£210559
	=====	=====	=====	=====

15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>The Group</u>		<u>The Company</u>	
	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans and overdrafts	726820	433146	508038	183594
Trade creditors	267708	136630	4987	2721
Amounts owed to subsidiary companies	-	-	272683	287366
Amounts owed to related companies	24392	780	3787	94
Corporation tax	181574	165553	39825	12299
Other taxation and social security costs	209514	185695	28615	44389
Other creditors	252499	204672	2372	23358
Accruals and deferred income	119013	64390	84080	38276
Proposed dividend	833	881	833	881
	£ 1782353	£1191747	£945220	£592978
	=====	=====	=====	=====

The bank overdrafts are secured by an unlimited debenture over the group assets.

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

16. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	<u>The Group</u>		<u>The Company</u>	
	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Secured loan repayable by instalments at 5.5%	-	6606	-	-
	===	====	===	===
Amounts repayable by instalments wholly within 5 years	£ -	£ 6606	£ -	£ -
	===	====	===	===

17. PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

	<u>1987</u>		<u>1986</u>	
<u>The Group</u>	<u>Amount Provided</u>	<u>Total Potential Liability</u>	<u>Amount Provided</u>	<u>Total Potential Liability</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tax effect of timing differences arising on:				
Excess of tax allowances over depreciation	20574	79627	20309	154132
Excess of depreciation over tax allowances	(33092)	(33092)	(30281)	(30281)
Revaluation of freehold property	150870	150870	113520	113520
Advance corporation tax recoverable	(308)	(308)	(338)	(338)
	£138040	£197097	£103210	£237033
	=====	=====	=====	=====

The Company

	<u>1987</u>	<u>1986</u>
	<u>Amount Provided and Total Potential Liability</u>	<u>Amount Provided and Total Potential Liability</u>
	<u>£</u>	<u>£</u>
Tax effect of timing differences arising on:		
Excess of depreciation over tax allowances	(33092)	(30281)
Revaluation of freehold property	150870	113520
Advance corporation tax recoverable	(308)	(338)
	£117470	£ 82901
	=====	=====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

18. SHARE CAPITAL.

Share capital at 1 January 1987 and 31 December 1987 was as follows:

	<u>Authorised</u>	<u>Issued and Fully Paid</u>
17000 - 4.9% net (1986 4.97%) preference shares of £1 each	17000	17000
18750 ordinary shares of £1 each	18750	18750
250 unclassified shares of £1 each	<u>250</u>	<u>-</u>
	36000	35750
	=====	=====

19. RESERVES

<u>The Group</u>	<u>Profit and Loss Account</u> <u>£</u>	<u>Revaluation Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>
At 1 January 1987	1108418	264879	1373297
Surplus arising on revaluation of investment property at 31 December 1987	-	132500	132500
Deferred tax arising on revaluation in year	-	(39750)	(39750)
Realised on disposal	-	(5600)	(5600)
Retained profit for the year	<u>259942</u>	<u>-</u>	<u>259942</u>
	£1368360	£352029	£1720389
	=====	=====	=====

<u>The Company</u>	<u>Profit and Loss Account</u> <u>£</u>	<u>Revaluation Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>
At 1 January 1987	339318	264879	604197
Surplus arising on revaluation of investment property at 31 December 1987	-	132500	132500
Deferred tax arising on revaluation in year	-	(39750)	(39750)
Realised on disposal	-	(5600)	(5600)
Retained profit for the year	<u>57060</u>	<u>-</u>	<u>57060</u>
	£ 396378	£352029	£ 748407
	=====	=====	=====

Of the total amount of reserves £352029 is not available for distribution.

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1987

- CONTINUED -

20. CONTINGENT LIABILITIES

The company has guaranteed the overdrafts of its subsidiary companies, G E Harper (Specialist Cars) Limited, Specialist Cars Limited, Harper Euro Cars (Stevenage) Limited, E C Fleming & Son Limited and GEH (Lytton Way Motors) Limited and its related company, Harper Self-Drive Limited, all to an unlimited extent.

The company has guaranteed the overdrafts of its related companies, Letchworth Finance Co. Limited and Stevenage Finance Co. Limited, to the extent of £150,000 and £275,000 respectively.

21. CAPITAL COMMITMENTS

There are no capital commitments authorised or contracted for (1986 Nil).