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G E HARPER LIMITED

31 DECEMBER 1988

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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 1988.

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 1988 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 £1206816 have been transferred to reserves.

FIXED ASSETS

Details of the changes in fixed assets are given in Note 10 to the financial statements. 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 1988 to the date of this report. The interests of the directors, holding office on 31 December 1988, in the shares of the company, according to the Register of Directors' Interests, were as shown below:-

1 January 1988 and 31 December 1988

	<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	5125	2210
Mrs E J Webb	-	1875

G E HARPER LIMITED  
REPORT OF THE DIRECTORS

- CONTINUED -

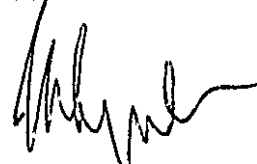
TAXATION STATUS OF THE COMPANY

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

Lytton Way  
Stevenage  
Hertfordshire  
SG1 3HL

22 June 1989

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 Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1988 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Went R. R. R.*

Chartered Accountants

1 Telford Way  
Luton  
Bedfordshire  
LU1 1HT

22 June 1989

G E HARPER LIMITED AND SUBSIDIARIES  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1988

		<u>1988</u>	<u>1987</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
TURNOVER	2	13258784	10358720
Cost of sales		(12057081)	(9253880)
GROSS PROFIT		1201703	1104840
Administrative expenses		(817911)	648181
Other operating income		<u>98940</u>	<u>67140</u>
OPERATING PROFIT		482732	523799
Interest payable and similar charges		<u>(78279)</u>	<u>(47252)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	404453	476547
Taxation on profit on ordinary activities	6	<u>(212642)</u>	<u>(174816)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		191811	301731
Profit on ordinary activities attributable to minority interests		<u>(41054)</u>	<u>(4095 )</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION AND BEFORE EXTRAORDINARY ITEM		150757	260775
Extraordinary item	7	<u>1056892</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION AND EXTRAORDINARY ITEM		1207649	260775
Preference dividends	8	<u>(833)</u>	<u>(833)</u>
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	9	£ <u>1206816</u> =====	£ <u>259942</u> =====

## BALANCE SHEET 31 DECEMBER 1988

Approved by the board on 22 June 1989  
and signed on its behalf

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G E HARPER LIMITED AND SUBSIDIARIES

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 DECEMBER 1988

SOURCE OF FUNDS	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Profit before taxation and extraordinary item less minority interests	363399	435591
Extraordinary profit	1381892	-
Adjustment for items not involving the movement of funds:		
Depreciation	405862	322327
Minority interests in the retained profits for the year	41054	40956
Profit on sale of fixed assets	(1446950)	(62877)
Revaluation profit realised on disposal of investment property	<u>(512899)</u>	<u>-</u>
FUNDS GENERATED FROM OPERATIONS	242358	735997
FUNDS FROM OTHER SOURCES		
Equipment loan	15534	-
Sale of fixed assets	<u>2349356</u>	<u>177336</u>
	2607248	913333
APPLICATION OF FUNDS		
Dividend paid	803	881
Repayment of loan capital	432	12400
Tax paid	141630	161136
Purchase of fixed assets	<u>984506</u>	<u>764016</u>
	1127371	938433
	£ 1479877	£ (25100)
	=====	=====
MOVEMENTS IN WORKING CAPITAL		
Increase in stocks	146510	302076
Increase in debtors	1449710	278285
Increase in creditors falling due within one year	<u>(39898)</u>	<u>(286705)</u>
	1556322	293656
Movement in net liquid funds:		
Decrease in cash at bank and in hand	(18478)	(25082)
Increase in bank overdrafts	<u>(57967)</u>	<u>(293674)</u>
	(76445)	(318756)
	£ 1479877	£ (25100)
	=====	=====



G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

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 11) made up to 31 December 1988. 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.

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) 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 1988

- CONTINUED -

### 1. ACCOUNTING POLICIES (CONTINUED)

#### (g) 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>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
after crediting:-		
Rent received under finance leases	164168	134834
Rent received under operating leases	325379	269033
Property rent received	112752	71496
Profit on sale of tangible fixed assets	65058	62877
	=====	=====
after charging:-		
Depreciation of tangible fixed assets	405862	322327
Auditors' remuneration	15930	15000
Emoluments of directors (Note 5)	274731	195714
Directors' pension contributions	2507	2507
Interest payable:		
Bank loans, overdrafts and other loans wholly repayable within 5 years	84588	57197
	=====	=====

### 4. STAFF COSTS

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Wages and salaries	972338	859785
Social security costs	95323	82296
Other pension costs	<u>27689</u>	<u>18367</u>
	£ 1095350	£ 960448
	=====	=====

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

	<u>Number</u>	<u>Number</u>
Management	11	10
Administration	18	20
Production	24	23
Sales	<u>13</u>	<u>13</u>
TOTAL EMPLOYEES	66	66
	=====	=====

G. E. HATGER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

5. DIRECTORS

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Emoluments for management services	274731	195714
	=====	=====

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	133376	84537
	=====	=====

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	1	2
£5001 - £10000	1	-
£20001 - £25000	-	1
£25001 - £30000	1	-
£80001 - £85000	-	1
£105001-£110000	1	-
	===	===

6. TAXATION

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
Corporation tax @ 35% (1987 36.25%)	178453	180326
Deferred taxation	33903	(2341)
Prior year adjustment	286	(3169)
	=====	=====
	£ 212642	£ 174816
	=====	=====

7. EXTRAORDINARY ITEM

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Profit before tax on disposal of investment property	1381892	-
Tax liability arising on disposal	(325000)	-
	=====	=====
	£ 1056892	£ -
	=====	=====

8. DIVIDENDS

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Preference dividend proposed	£ 833	£ 833
	=====	=====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

9. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Dealt with in the accounts of the company	983995	57060
Retained by subsidiary companies	<u>222821</u>	<u>202882</u>
	£ 1206816	£ 259942
	=====	=====

10. TANGIBLE FIXED ASSETS

<u>The Group</u>	<u>Land and Buildings</u>			<u>Plant, Fixtures, Fittings &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>Freehold Property</u>	<u>Leasehold Property</u>	<u>Investment Property</u>			
COST OR VALUATION	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January 1988	357316	242639	600000	368411	1029762	2598128
Additions	295717	-	-	150180	538609	984506
Disposals	<u>-</u>	<u>(212005)</u>	<u>(600000)</u>	<u>(38855)</u>	<u>(365331)</u>	<u>(1216191)</u>
At 31 December 1988	653033	30634	-	479736	1203040	2366443
DEPRECIATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 1988	-	38952	-	191000	374838	604790
Charge for the year	-	3000	-	48775	354087	405862
Disposals	<u>-</u>	<u>(35952)</u>	<u>-</u>	<u>(25139)</u>	<u>(252694)</u>	<u>(313785)</u>
At 31 December 1988	-	6000	-	214636	476231	696867
NET BOOK VALUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1988	£ 653033	£ 24634	£ -	£ 265100	£ 726809	£ 1669576
	=====	=====	=====	=====	=====	=====
At 31 December 1987	£ 357316	£ 203687	£ 600000	£ 177411	£ 654924	£ 1993338
	=====	=====	=====	=====	=====	=====
Rates of depreciation	Nil	Over period of lease	Nil	15%-25%	25%-33%	

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

10. TANGIBLE FIXED ASSETS (continued)

The Company

	<u>Land and Buildings</u>				
	<u>Freehold</u>	<u>Investment</u>	<u>Fixtures &amp;</u>	<u>Motor</u>	<u>Total</u>
	<u>Property</u>	<u>Property</u>	<u>Fittings</u>	<u>Vehicles</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION					
At 1 January 1988	132855	600000	-	1029762	1762617
Additions	294572	-	12331	538609	845512
Disposals	-	(600000)	-	(365331)	(965331)
At 31 December 1988	427427	-	12331	1203040	1642798
DEPRECIATION					
At 1 January 1988	-	-	-	374838	374838
Charge for the year	-	-	-	354087	354087
Disposals	-	-	-	(252694)	(252694)
At 31 December 1988	-	-	-	476231	476231
NET BOOK VALUES					
At 31 December 1988	£ 427427	£ -	£ 12331	£ 726809	£ 1166567
At 31 December 1987	£ 132855	£ 600000	£ -	£ 654924	£ 1387779
Rates of depreciation	Nil	Nil	15%	25%-33%	

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

11. FIXED ASSETS - INVESTMENTS - GROUP COMPANIES

	<u>Subsidiaries not Consolidated</u>	<u>Company</u>
	<u>Shares</u>	<u>Shares</u>
	<u>£</u>	<u>£</u>
COST		
At 1 January 1988 and 31 December 1988	£ 2 ==	£ 69528 =====

Details of the company's subsidiaries at 31 December 1988 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>
Loss for the year ended 31 December 1988 after tax	(6380)
Profit of previous financial periods	<u>47686</u>
	£ 41306 =====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

12. STOCKS

	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Motor vehicles and deposits	975475	879921	-	-
Parts and accessories	222289	170621	-	-
Petrol, oil and lubricants	6487	8124	-	-
Other stocks	<u>6027</u>	<u>5102</u>	<u>-</u>	<u>-</u>
	£ 1210278	£ 1063768	£ -	£ -
	=====	=====	=====	=====

13. 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:-

Stevenage Finance Company Limited  
Letchworth Finance Company Limited

14. ASSETS LEASED TO THIRD PARTIES UNDER FINANCE LEASES

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
The net investment comprises:		
Total lease payments receivable	207925	281147
Less: Income allocated to future period	<u>(36253)</u>	<u>(65195)</u>
	171672	215952
Add: Terminal payments due on completion of lease term	<u>118087</u>	<u>124030</u>
Net investment at 31 December 1988	£ 289759	£ 339982
	=====	=====

Vehicles costing £106324 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 1988

- CONTINUED -

15. DEBTORS

	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
DUE WITHIN ONE YEAR				
Trade debtors	254657	256217	13303	13265
Finance lease income receivable	143899	141310	143899	141310
Amounts owed by subsidiary companies	-	-	29955	21110
Amounts owed by related companies	1281	15782	1281	6108
Other debtors	1528114	19311	1500979	1545
Prepayments and accrued income	<u>29882</u>	<u>22691</u>	<u>7244</u>	<u>7530</u>
	1957833	455311	1696661	190868
DUE AFTER ONE YEAR				
Finance lease income receivable	145860	198672	145860	198672
	<u>£ 2103693</u>	<u>£ 653983</u>	<u>£ 1842521</u>	<u>£ 389540</u>
	=====	=====	=====	=====

16. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans and overdrafts	784787	726820	669794	508038
Trade creditors	223725	267708	11153	4987
Amounts owed to subsidiary companies	-	-	352929	272683
Amounts owed to related companies	10565	24392	20453	3787
Corporation tax	543683	181574	359116	39825
Other taxation and social security costs	187915	209514	64972	28615
Other creditors	274236	252499	29221	2372
Accruals and deferred income	221892	119013	154067	84080
Proposed dividend	<u>863</u>	<u>833</u>	<u>863</u>	<u>833</u>
	£ 2247666	£ 1782353	£ 1662568	£ 945220
	=====	=====	=====	=====

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 1988

- CONTINUED -

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

	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Loan for equipment	9925	-	-	-
	=====	=====	=====	=====

18. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1988</u>		<u>1987</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	20945	20945	20574	79627
Excess of depreciation over tax allowances	-	-	(33092)	(33092)
Revaluation of freehold property	-	-	150870	150870
Advance corporation tax recoverable	-	-	(308)	(308)
	£ 20945	£ 20945	£138044	£197097
	=====	=====	=====	=====
<u>The Company</u>		<u>1988</u>		<u>1987</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)
Revaluation of freehold property		-		150870
Advance corporation tax recoverable		-		(308)
		£ -		£117470
		=====		=====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

19. SHARE CAPITAL

Share capital at 1 January 1988 and 31 December 1988 was as follows:

	<u>Authorised</u>	<u>Issued and Fully Paid</u>
Preference shares of £1 each (4.9% net)	17000	17000
Ordinary shares of £1 each	18750	18750
Unclassified shares of £1 each	<u>250</u>	<u>-</u>
	36000	35750
	=====	=====

20. RESERVES

The Group	<u>Profit and Loss Account</u> £	<u>Revaluation Reserve</u> £	<u>Total</u> £
At 1 January 1988	1368360	352029	1720389
Realised on disposal of investment property	-	(352029)	(352029)
Retained profit for the year	<u>1206816</u>	<u>-</u>	<u>1206816</u>
	£ 2575176	£ -	£ 2575176
	=====	=====	=====

The Company	<u>Profit and Loss Account</u> £	<u>Revaluation Reserve</u> £	<u>Total</u> £
At 1 January 1988	396378	352029	748407
Realised on disposal of investment property	-	(352029)	(352029)
Retained profit for the year	<u>983995</u>	<u>-</u>	<u>983995</u>
	£ 1380373	£ -	£ 1380373
	=====	=====	=====

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

- CONTINUED -

21. 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 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.

22. CAPITAL COMMITMENTS

There are no capital commitments authorised or contracted for (1987 Nil).

10-08-90

538332

G E HARPER LIMITED

31 DECEMBER 1989

I N D E X

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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 1989.

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. In February 1990 the group disposed of its interest in one of its main subsidiaries, Specialist Cars Limited.

RESULTS AND DIVIDENDS

The results for the group for the year ended 31 December 1989 are set out in the financial statements on pages 5 to 19.

The directors do not recommend the payment of any dividends. Retained profits of £374486 have been transferred to reserves.

FIXED ASSETS

Details of the changes in fixed assets are given in Note 10 to the financial statements. 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 1989 to the date of this report. The interest of the directors, holding office on 31 December 1989, in the shares of the company, according to the Register of Directors' Interests, were as shown below:-

	<u>31 December 1989</u>		<u>31 December 1988</u>	
	<u>Ordinary</u>	<u>Preference</u>	<u>Ordinary</u>	<u>Preference</u>
Mr P C A Harper	9062	-	9062	2250
Mr E M Webb	4563	-	4563	-
Mr R W Egner	-	-	-	-
Mrs D M Harper	5125	-	5125	2210
Mrs E J Webb	-	-	-	1875

G E HARPER LIMITED  
REPORT OF THE DIRECTORS  
- CONTINUED -

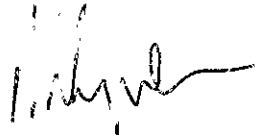
TAXATION STATUS OF THE COMPANY

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

Lytton Way  
Stevenage  
Hertfordshire  
SG1 3HL  
9 July 1990



1 Telford Way, Luton  
Bedfordshire LU1 1HT  
Telephone 0582 23401  
Fax 0582 413315

AUDITORS' REPORT TO THE MEMBERS OF G E HARPER LIMITED

We have audited the financial statements on pages 5 to 19 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1989 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date 9 July 1990

  
Chartered Accountants



G E HARPER LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1989

	<u>Notes</u>	<u>1989</u> <u>£</u>	<u>1988</u> <u>£</u>
TURNOVER	2	15653422	13258784
Cost of sales		(14216562)	(12057081)
GROSS PROFIT		1436860	1201703
Administrative expenses		(899557)	(817911)
Other operating income		35628	98940
OPERATING PROFIT		572931	482732
Interest receivable and similar income		254391	15214
Interest payable and similar charges		(158358)	(93493)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	668964	404453
Taxation on profit on ordinary activities	6	(250566)	(212642)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		418398	191811
Profit on ordinary activities attributable to minority interests		(43912)	(41054)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION AND BEFORE EXTRAORDINARY ITEM		374486	150757
Extraordinary item	7	-	1056892
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION AND EXTRAORDINARY ITEM		374486	1207549
Preference dividends	8	-	(833)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	9	£ 374486	£ 1206816

### BALANCE SHEET AT 31 DECEMBER 1989

Approved by the Board on 9 July 1990  
and signed on its behalf

..... )  
~~..... )~~  
 ..... ) Direct  
 ..... )  
 ..... )

# G E HARPER LIMITED

BALANCE SHEET 31 DECEMBER 1989

	<u>Notes</u>	<u>1989</u> <u>£</u>	<u>1988</u> <u>£</u>
<b>FIXED ASSETS</b>			
Tangible assets	10	1685884	1166567
Investment - group companies	11	69528	69528
		<hr/>	<hr/>
		1755412	1236095
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Stocks	12	-	-
Debtors	15	261524	1842521
Cash at bank and in hand		1678003	75
		<hr/>	<hr/>
		1939527	1842596
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(2131236)	(1662568)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES) ASSETS		(191709)	180028
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1563703	1416123
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	(35000)	-
PROVISIONS FOR LIABILITIES AND CHARGES	18	-	-
		<hr/>	<hr/>
NET ASSETS		£ 128703	£ 1416123
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	18750	35750
Reserves	20	1509953	1380373
		<hr/>	<hr/>
		£ 1528703	£ 1416123
		<hr/>	<hr/>

Approved by the Board on 9 July 1990  
and signed on its behalf

.....) }  
.....) } Directors  
.....) }

G E HARPER LIMITED AND SUBSIDIARIES  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 DECEMBER 1989

	<u>1989</u> <u>£</u>	<u>1988</u> <u>£</u>
SOURCE OF FUNDS		
Profit before taxation and extraordinary item less minority interests	625052	363399
Extraordinary profit	-	1381892
Adjustment for items not involving the movement of funds:		
Depreciation	498746	405862
Minority interests in the retained profits for the year	43912	41054
Profit on sale of fixed assets	(77314)	(1446950)
Realised revaluation profit	-	(502899)
	<hr/>	<hr/>
FUNDS GENERATED FROM OPERATIONS	1090396	242358
FUNDS FROM OTHER SOURCES		
Equipment loan	35000	15534
Sale of fixed assets	288525	2349356
	<hr/>	<hr/>
	323525	2364890
	<hr/>	<hr/>
APPLICATION OF FUNDS		
Redemption of preference shares	17000	-
Dividend paid	832	803
Repayment of loan capital	5178	432
Tax paid	222605	141630
Purchase of fixed assets	1307278	984506
	<hr/>	<hr/>
	1552893	1127371
	<hr/>	<hr/>
	£ (138972)	£ 1479877
	<hr/>	<hr/>
MOVEMENT IN WORKING CAPITAL		
Stocks	435563	146510
Debtors	(1491103)	1449710
Creditors falling due within one year	(541985)	(39898)
	<hr/>	<hr/>
	(1597525)	1556322
	<hr/>	<hr/>
Movement in net liquid funds:		
Cash at bank and in hand	1966968	(18478)
Bank overdrafts	(508415)	(57967)
	<hr/>	<hr/>
	1458553	(76445)
	<hr/>	<hr/>
	£ (138972)	£ 1479877
	<hr/>	<hr/>

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

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 11) made up to 31 December 1989. 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.

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 the actual cost in the case of motor vehicles and on the first in, first out basis in the case of parts and other stocks.

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

1. ACCOUNTING POLICIES (continued)

(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) 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) 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>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
after crediting:-		
Income received under finance leases	37231	57026
Rent received under operating leases	529505	432521
Property rent received	73849	112752
Profit on sale of tangible fixed assets	77314	65058
	<u>          </u>	<u>          </u>
after charging:-		
Depreciation of tangible fixed assets	498746	405862
Auditors' remuneration	16800	15930
Emoluments of directors (note 5)	243843	274731
Interest payable:		
Bank loans, overdrafts and other loans wholly repayable within 5 years	152194	84588
	<u>          </u>	<u>          </u>

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

4. STAFF COSTS

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1105515	972338
Social security costs	112098	95329
Other pension costs	23768	27689
	<hr/>	<hr/>
	£ 1241381	£ 1095350

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

	<u>Number</u>	<u>Number</u>
Management	11	11
Administration	18	18
Production	27	24
Sales	18	13
	<hr/>	<hr/>
TOTAL EMPLOYEES	74	66

5. DIRECTORS

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Emoluments for management services	243843	274731

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

	<u>£</u>	<u>£</u>
The chairman and highest paid director	97900	133376

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

	<u>Number</u>	<u>Number</u>
Up to £5000	-	1
£5001 - £10000	1	1
£10001 - £15000	1	-
£25001 - £30000	1	1
£95000 - £100000	1	-
£105001 - £110000	-	1

G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

6. TAXATION

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
Corporation tax @ 35% (1988 35%)	249171	178453
Deferred taxation	(1425)	33903
Underprovision in respect of prior years	2820	286
	<u>£ 250566</u>	<u>£ 212642</u>

7. EXTRAORDINARY ITEM

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Profit before tax on disposal of investment property	-	1381892
Tax liability arising on disposal	-	(325000)
	<u>£ -</u>	<u>£ 1056892</u>

8. DIVIDENDS

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Preference dividend proposed	£ -	£ 833

9. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Dealt with in the accounts of the company	129580	983995
Retained by subsidiary companies	244906	222821
	<u>£ 374486</u>	<u>£ 1206816</u>



G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

10. TANGIBLE FIXED ASSETS

<u>The Group</u>	<u>Freehold &amp; Leasehold Property</u>	<u>Investment Property</u>	<u>Plant, Fixtures, Fittings &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION					
1 January 1989	683667	-	479736	1203040	2366443
Additions	919	67817	95649	1142893	1307278
Disposals	-	-	(13301)	(570381)	(583682)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 December 1989	684586	67817	562084	1775552	3090039
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
1 January 1989	6000	-	214636	476231	696867
Charge for the year	3000	-	76751	418995	498746
Eliminated on Disposal	-	-	(5123)	(367347)	(372470)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 December 1989	9000	-	286264	527879	823143
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUES					
31 December 1989	£ 675586	£ 67817	£ 275820	£ 1247673	£ 2266896
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 December 1988	£ 677667	£ -	£ 265100	£ 726809	£ 1669576
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Rates of depreciation	N11	N11	15%-25%	25%-33%	

## G E HARPER LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

## 10. TANGIBLE FIXED ASSETS (continued)

The Company

	<u>Freehold Property</u>	<u>Fixtures &amp; Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION				
At 1 January 1989	427427	12331	1203040	1642798
Additions	919	-	1142893	1143812
Disposals	-	-	(570381)	(570381)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1989	428346	12331	1775552	2216229
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 1989	-	-	476231	476231
Charge for the year	-	2466	418995	421461
Eliminated on Disposals	-	-	(367347)	(367347)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1989	-	2466	527879	530345
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUES				
At 31 December 1989	£ 428346	£ 9865	£ 1247673	£ 1685884
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1988	£ 427427	£ 12331	£ 726809	£ 1166567
	<hr/>	<hr/>	<hr/>	<hr/>
Rates of depreciation	NIL	15%	25%-33%	

# G E HARPER LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

### 11. FIXED ASSETS - INVESTMENTS - GROUP COMPANIES

	Subsidiaries not Consolidated	Company
	<u>Shares</u> <u>£</u>	<u>Shares</u> <u>£</u>
COST		
At 1 January 1989 and 31 December 1989	£ 2	£ 69528

Details of the company's subsidiaries at 31 December 1989 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) Ltd	England	Ordinary	100%	-
G E Harper (Specialist Cars) Ltd	England	Ordinary	100%	-
E C Fleming & Son Ltd	England	Ordinary	100%	-
Harper Enterprises Ltd	England	Ordinary	100%	-
Specialist Cars Ltd	England	Ordinary	-	76%
GEH (Lytton Way Motors) Ltd	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>
Loss for the year ended 31 December 1989 after tax	(10849)
Profit of previous financial periods	41306
	<u>£ 30457</u>

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G E HARPER LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

12. STOCKS

	<u>The Group</u>		<u>The Company</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Motor vehicles and deposits	1389759	975475	-	-
Parts and accessories	241593	222289	-	-
Petrol, oil and lubricants	9722	6487	-	-
Other stocks	4767	6027	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 1645841	£ 1210278	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

13. RELATED COMPANIES

The term used does not refer to related companies as defined in the Fourth Schedule of the Companies Act 1965 but relates to those companies where there are substantial common shareholdings as follows:-

Stevenage Finance Company Limited  
Letchworth Finance Company Limited

14. ASSETS LEASED TO THIRD PARTIES UNDER FINANCE LEASES

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
The net investment comprises:		
Total lease payments receivable	142464	207925
Less: Income allocated to future periods	(17936)	(36253)
	<hr/>	<hr/>
	124528	171672
Add: Terminal payments due on completion of lease term	89428	118087
	<hr/>	<hr/>
Net investment at 31 December 1989	£ 213956	£ 289759
	<hr/>	<hr/>

Vehicles costing £77326 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 1989

- CONTINUED -

15. DEBTORS	The Group		The Company	
	1989	1988	1989	1988
	£	£	£	£
DUE WITHIN ONE YEAR				
Trade debtors	308594	254657	29345	13303
Finance lease income receivable	95136	143899	95136	143899
Amounts owed by subsidiary companies	-	-	1064	29955
Amounts owed by related companies	4532	1281	3024	1281
Other debtors	54700	1528114	470	1500979
Prepayments and accrued income	30808	29882	13665	7244
	<u>493770</u>	<u>1957833</u>	<u>142704</u>	<u>1696661</u>
DUE AFTER ONE YEAR				
Finance lease income receivable	118820	145860	118820	145860
	<u>£ 612590</u>	<u>£ 2103693</u>	<u>£ 261524</u>	<u>£ 1842521</u>

16. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	The Group		The Company	
	1989	1988	1989	1988
	£	£	£	£
Bank loans and overdrafts	1293202	784787	1276056	669794
Trade creditors	711869	223725	9093	11153
Amounts owed to subsidiary companies	-	-	273294	352929
Amounts owed to related companies	-	10565	-	20453
Corporation tax	575100	543683	366009	359116
Other taxation and social security costs	231925	187915	47141	64972
Other creditors	295289	274236	19126	29221
Accruals and deferred income	221235	221892	140517	154067
Proposed dividend	-	863	-	863
	<u>£ 3326620</u>	<u>£ 2247666</u>	<u>£ 2131236</u>	<u>£ 1662568</u>

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 1989

- CONTINUED -

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

	<u>The Group</u>		<u>The Company</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Loan for equipment	4746	9925	-	-
Other loans	35000	-	35000	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£ 39746	£ 9925	£ 35000	£ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

18. PROVISIONS FOR LIABILITIES AND CHARGES

<u>The Group</u>	<u>1989</u>		<u>1988</u>	
	<u>Amount</u>	<u>Total</u>	<u>Amount</u>	<u>Total</u>
	<u>Provided</u>	<u>Potential</u>	<u>Provided</u>	<u>Potential</u>
	<u>£</u>	<u>Liability</u>	<u>£</u>	<u>Liability</u>
Tax effect of timing differences on the excess of tax allowances over depreciation	£ 19520	£ 19520	£ 20945	£ 20945
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

There is no liability or potential liability to deferred taxation in respect of the company.

19. SHARE CAPITAL

	<u>1989</u>		<u>1988</u>	
	<u>Authorised</u>	<u>Issued &amp; Fully Paid</u>	<u>Authorised</u>	<u>Issued &amp; Fully Paid</u>
Preference shares of £1 each (4.9% net)	17000	-	17000	17000
Ordinary shares of £1 each	18750	18750	18750	18750
Unclassified shares of £1 each	250	-	250	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	36000	18750	36000	35750
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company redeemed its preference share capital at par on 12 December 1989.

# G E HARPER LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1989

- CONTINUED -

### 20. RESERVES

<u>The Group</u>	<u>Profit and Loss Account</u> <u>£</u>
At 1 January 1989	2575176
Retained profit for the year	374486
	<hr/>
At 31 December 1989	£ 2949662
	<hr/> <hr/>
<u>The Company</u>	
At 1 January 1989	1380373
Retained profit for the year	129580
	<hr/>
At 31 December 1989	£ 1509953
	<hr/> <hr/>

### 21. CONTINGENT LIABILITIES

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

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

### 22. CAPITAL COMMITMENTS

There are no capital commitments authorised or contracted for (1988 Nil).