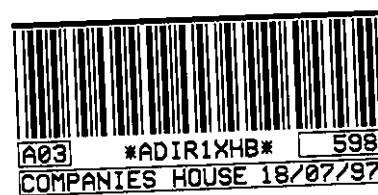


Registration Number 744493

MOTORTUNE LIMITED  
FINANCIAL STATEMENTS  
31 DECEMBER 1996



MOTORTUNE LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 1996.

Principal activity

The company's principal activity is property dealing. It is anticipated that this principal activity will continue for the foreseeable future.

Results and dividend

The results for the year are shown in the profit and loss account on page 3.

The directors do not recommend the payment of a dividend (1995 - £nil). The retained profit for the year of £48,971 has been transferred to reserves.

Directors and directors' interests

The directors who held office during the year were as follows:

MHA Broke	(resigned 1 April 1996)
RE Butler	
WN Hugill	
D Phillips	

None of the directors had any interest in the share capital of the company during the year. Their interests in the share capital of the ultimate holding company, Chelsfield plc, are disclosed in the financial statements of that company.

Auditors

A resolution proposing the re-appointment of KPMG Audit Plc as auditors of the company will be submitted to the Annual General Meeting.

By order of the board



K A Cook  
Secretary  
8 July 1997

67 Brook Street  
London  
W1Y 2NJ

## MOTORTUNE LIMITED

### DIRECTORS' RESPONSIBILITIES

The directors are required by law to prepare financial statements, based on applicable accounting standards, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the year.

The directors consider that, in preparing the financial statements, suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made.

The directors prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### AUDITORS' REPORT TO THE MEMBERS OF MOTORTUNE LIMITED

We have audited the financial statements on pages 3 to 8.

#### **Respective responsibilities of directors and auditors**

As described above, the 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 affairs of the company as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

LONDON

*14* July 1997

MOTORTUNE LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 1996

		1996 £	1995 £
Net rents receivable	Notes 1	338,332	338,288
Administrative expenses	2	(266,353)	(186,107)
Operating profit		71,979	152,181
Interest receivable		1,112	28
Profit on ordinary activities before taxation		73,091	152,209
Taxation	3	(24,120)	(50,229)
Profit for the year	8	48,971	101,980

The above results relate entirely to continuing activities.

There were no gains or losses during the year other than those disclosed above.

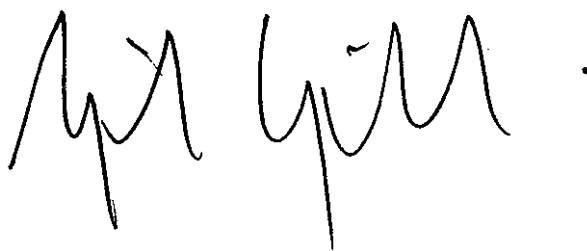
Details of reserve movements are set out in note 8 to these accounts.

MOTORTUNE LIMITEDBALANCE SHEETAt 31 December 1996

	Notes	1996 £	1995 £
<b>Current assets</b>			
Stock	4	1,412,975	1,369,865
Debtors	5	235,845	352,635
Cash at bank		8,934	16,520
		<u>1,657,754</u>	<u>1,739,020</u>
<b>Creditors - amounts falling due within one year</b>	6	(121,970)	(252,207)
		<u>1,535,784</u>	<u>1,486,813</u>
<b>Capital and reserves</b>			
Called up equity share capital	7	61,900	61,900
Profit and loss account	8	1,473,884	1,424,913
		<u>1,535,784</u>	<u>1,486,813</u>

Approved by the board of directors on 8 July 1997 and signed on its behalf by:

WN Hugill, Director



## MOTORTUNE LIMITED

### ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

#### Properties

Properties held as stock are stated in the balance sheet at the lower of cost and net realisable value. Profits on sales of properties are recognised on completion of sale.

#### Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### Cashflow statement

A consolidated cashflow is published in the group accounts of Chelsfield plc, the ultimate holding company. The company is exempt under Financial Reporting Standard No. 1 (Revised) from publishing its own cashflow statement.

#### Related party transactions

The related party transactions note included in the consolidation financial statements of the ultimate parent undertaking complies with the conditions of Financial Reporting Standard No. 8 (FRS8) 'Related party transactions'. The company is therefore exempt under FRS8 from the requirement to prepare a separate note.

MOTORTUNE LIMITEDNOTES TO THE ACCOUNTS

	1996 £	1995 £
1 <u>NET RENTS RECEIVABLE</u>		
Gross rents receivable	355,471	349,346
Direct property outgoings	(17,139)	(11,058)
	<u>338,332</u>	<u>338,288</u>
2 <u>ADMINISTRATIVE EXPENSES</u>		
Group management charge	266,350	186,099
Other administrative expenses	3	8
	<u>266,353</u>	<u>186,107</u>
None of the directors received any remuneration from the company during the year.		
The company has no employees.		
Audit fees are paid by Chelsfield Management Services Limited and accounted for on a group basis.		
3 <u>TAXATION</u>		
Group relief payable	<u>24,120</u>	<u>50,229</u>
4 <u>STOCK</u>		
Properties net of provision	<u>1,412,975</u>	<u>1,369,865</u>

Bank loans of £4.5 million (1995 - £25 million) of Chelsfield plc were secured on the trading properties of the company and its parent company and properties held by other fellow subsidiary undertakings. At 31 December 1996 bank loans of £2.6 million (1995 - £2.8 million) of Chelsfield plc were secured on the properties.

MOTORTUNE LIMITEDNOTES TO THE ACCOUNTS (continued)5 DEBTORS

	1996 £	1995 £
Trade debtors	114,588	101,768
Amount owed by holding company	120,433	-
Amounts owed by fellow subsidiary undertaking	-	250,000
Prepayments and accrued income	824	867
	<u>235,845</u>	<u>352,635</u>

6 CREDITORS: amounts falling due within one year

Trade creditors	160	-
Amount owed to holding company	-	9,502
Group relief payable	24,120	144,149
Other creditors	23,597	17,785
Accruals and deferred income	74,093	80,771
	<u>121,970</u>	<u>252,207</u>

7 CALLED UP EQUITY SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of 5p each	<u>250,000</u>	<u>61,900</u>

There were no changes during the year in the authorised or called up share capital.

8 PROFIT AND LOSS ACCOUNT

	1996 £	1995 £
At 1 January	1,424,913	1,322,933
Retained profit for the year	48,971	101,980
	<u>1,473,884</u>	<u>1,424,913</u>
At 31 December		

MOTORTUNE LIMITEDNOTES TO THE ACCOUNTS ( continued)9 SHAREHOLDERS' FUNDS

	1996 £	1995 £
At 1 January	1,486,813	1,384,833
Retained profit for the year	48,971	101,980
At 31 December	<u>1,535,784</u>	<u>1,486,813</u>

10 ULTIMATE HOLDING COMPANY

The ultimate holding company is Chelsfield plc, a company registered in England and Wales, a copy of whose consolidated accounts may be obtained from 67, Brook Street, London W1Y 2NJ.