

**LOOKERS BIRMINGHAM
LIMITED (FORMERLY 452
MOTOR COMPANY LIMITED)**

FINANCIAL STATEMENTS

**FOR THE 14 MONTH PERIOD
ENDED**

28 FEBRUARY 2002



Company no 860646

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

FINANCIAL STATEMENTS

For the period ended 28 February 2002

Company registration number: 860646

Registered office: 776 Chester Road
Stretford
Manchester
M32 0QH

Directors: Motors Directors Limited
Motors Secretaries Limited
Brian Schumacker
Henry Kenneth Surgenor

Secretary: David John Blakeman

Bankers: Lloyds Bank plc
125 Colmore Row
Birmingham
B3 3AD

Solicitors: Duane Morris
4th Floor
Broadgate Court
199 Bishopsgate
London
EC2M 3TY

Auditors: Grant Thornton
Registered auditors
Chartered accountants
32/34 Queens Road
Coventry
CV1 3FJ

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

FINANCIAL STATEMENTS

For the period ended 28 February 2002

| INDEX | PAGE |
|------------------------------------------------|-------------|
| Report of the directors | 1 - 2 |
| Report of the auditors | 3 - 4 |
| Principal accounting policies | 5 - 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Cash flow statement | 9 |
| Statement of total recognised gains and losses | 10 |
| Notes to the financial statements | 11 - 22 |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the 14 month period ended 28 February 2002.

On 20 February 2002 the company changed its name from 452 Motor Company Limited to Lookers Birmingham Limited.

Principal activities

The company was engaged in the purchasing, selling and repairing of motor vehicles and other ancillary services.

On 1 March 2002 the trade and net assets of the company were hived up into its immediate parent undertaking, 452 (Birmingham) Limited at net book value. The company has remained dormant since this event.

Business review

There was a loss for the period after taxation amounting to £114,301 (2000: profit £49,530). The directors do not recommend payment of a dividend and the loss has therefore been deducted from reserves.

Directors

The present membership of the Board is set out below. Motors Directors Limited and Motors Secretaries Limited served throughout the period. R Craven-Jones resigned from the Board on 11 June 2001. B Schumacker and H K Surgenor were appointed to the Board on 19 February 2002.

The interests of the directors in the shares of the company as at 28 February 2002 and 1 January 2001, or date of appointment, were as follows:

| | Ordinary shares | |
|----------------------------|---------------------|-------------------|
| | 28 February 2002 | 1 January 2001 |
| Motors Directors Limited | - | - |
| Motors Secretaries Limited | - | - |
| Brian Schumacker | - | - |
| Henry Kenneth Surgenor | - | - |

Motors Directors Limited and Motors Secretaries Limited are companies related to Vauxhall Motors Limited.

The interests of B Schumacker and H K Surgenor in the shares of the ultimate parent company are shown in that company's financial statements.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

ON BEHALF OF THE BOARD



B. SCHUMACKER

Date 23/12/02

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

We have audited the financial statements of Lookers Birmingham Limited for the 14 month period ended 28 February 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 Companies Act 1985. 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 with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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.

Qualified opinion arising from disagreement about accounting treatment

Deducted from vehicle stock on the balance sheet as at 28 February 2002 is an amount of £60,724, which represents income from incentives from the vehicle manufacturer earned in the period. In our opinion, the company should have reflected this income in the profit and loss account, decreasing the loss before tax and increasing net assets by that amount.

Except for the non-recognition of this income, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

Grant Thornton

GRANT THORNTON

REGISTERED AUDITORS

CHARTERED ACCOUNTANTS

COVENTRY

Date *24 December 2002*

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, except that freehold land and buildings are shown at their revalued amounts.

The principal accounting policies of the company are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by annual instalments over their expected useful lives. The rates generally applicable are:

| | |
|------------------------------------------|-------------------------|
| Freehold buildings | 50 years |
| Plant, equipment, furniture and fittings | 10% straight line |
| Motor vehicles | 25% straight line |
| Fixtures and fittings | 10% straight line |
| Computer equipment | 20-33.33% straight line |

STOCKS

Stocks are stated at the lower of cost and net realisable value.

Under supply agreements with General Motors, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with an equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

DEFERRED TAXATION

The company has adopted FRS 19 during the period but this has no impact on the financial statements. Deferred tax is recognised on all timing differences where the transactions or events give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted at the balance sheet date.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

MOTABILITY REPURCHASE COMMITMENTS

The company has certain obligations to repurchase vehicles at predetermined residual prices upon the expiry of the contracts, usually after three years, under agreements with Motability Finance Limited. The assets have been disclosed in stock at the lower of repurchase price and net realisable value. The liabilities have been recorded at repurchase price. Where there is no obligation to repurchase vehicles, no disclosure is made.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**PROFIT AND LOSS ACCOUNT**

For the 14 month period ended 28 February 2002

| | Note | 14 months to 28 February 2002 | 12 months to 31 December 2000 |
|----------------------------------------------------|------|-------------------------------------|----------------------------------------|
| | | £ | £ |
| Turnover | 1 | 14,382,827 | 10,911,364 |
| Cost of sales | | <u>(12,409,786)</u> | <u>(9,365,883)</u> |
| Gross profit | | 1,973,041 | 1,545,481 |
| Administrative expenses | | (1,854,037) | (1,480,110) |
| Other operating income | 1 | <u>129,671</u> | <u>141,862</u> |
| Operating profit | | 248,675 | 207,233 |
| Exceptional items | | | |
| Loss on sale of freehold property | | (206,115) | - |
| Net interest | 2 | <u>(98,361)</u> | <u>(125,603)</u> |
| Loss on ordinary activities before taxation | 1 | (55,801) | 81,630 |
| Tax on loss on ordinary activities | 4 | <u>(58,500)</u> | <u>(32,100)</u> |
| Loss transferred from reserves | 13 | <u>(114,301)</u> | <u>49,530</u> |


On 1 March 2002 the trade and net assets of the company were hived up to its immediate parent undertaking, 452 (Birmingham) Limited, at net book value. All the above activities are thus regarded as discontinued.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

BALANCE SHEET AT 28 FEBRUARY 2002

| | Note | 2002 £ | 2002 £ | 2000 £ | 2000 £ |
|----------------------------------------------------------------|------|-------------|-----------|-------------|-------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | 254,603 | | 1,477,171 |
| Current assets | | | | | |
| Stocks | 6 | 2,824,550 | | 2,592,149 | |
| Debtors | 7 | 305,865 | | 407,144 | |
| Cash at bank and in hand | | 787,958 | | 480 | |
| | | 3,918,373 | | 2,999,773 | |
| Creditors: amounts falling due within one year | 8 | (3,466,416) | | (2,727,754) | |
| Net current assets | | | 451,957 | | 272,019 |
| Total assets less current liabilities | | | 706,560 | | 1,749,190 |
| Creditors: amounts falling due after more than one year | 9 | | (120,137) | | (1,082,106) |
| Provisions for liabilities and charges | 10 | | (77,640) | | (44,000) |
| | | | 508,783 | | 623,084 |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 77,000 | | 77,000 |
| Revaluation reserve | 13 | | 16,294 | | 348,143 |
| Profit and loss account | 13 | | 415,489 | | 197,941 |
| Shareholders' funds | 14 | | 508,783 | | 623,084 |

The financial statements were approved by the Board of Directors on 23/12/02

 Director
B. SCHUMACKER

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**CASH FLOW STATEMENT**

For the 14 month period ended 28 February 2002

| | Note | 14 months to 28 February 2002 | 12 months to 31 December 2000 |
|-------------------------------------------------------------------------------------|------|-------------------------------------|----------------------------------------|
| | | £ | £ |
| Net cash inflow from operating activities | 15 | 1,010,962 | 265,324 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 2,385 | 83 |
| Interest paid | | (96,093) | (116,499) |
| Finance lease interest paid | | (4,653) | (9,187) |
| Net cash outflow from returns on investments and servicing of finance | | (98,361) | (125,603) |
| Taxation | | (72,511) | (14,500) |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | | (26,410) | (28,354) |
| Sale of tangible fixed assets | | 939,085 | 5,159 |
| Net cash inflow/ (outflow) from capital expenditure and financial investment | | 912,675 | (23,195) |
| Financing | | | |
| Repayment of borrowings | | (775,417) | (87,500) |
| Capital element of finance lease rentals | | (55,107) | (36,630) |
| Net cash outflow from financing | | (830,524) | (124,130) |
| Increase/ (decrease) in cash | 16 | 922,241 | (22,104) |

The accompanying accounting policies and notes form an integral part of these financial statements.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the 14 month period ended 28 February 2002

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | 2002 | 2000 |
|-------------------------------|------------------|---------------|
| | £ | £ |
| Loss for the financial period | (114,301) | 49,530 |

NOTE OF HISTORICAL COST PROFITS AND LOSSES

| | 2002 | 2000 |
|----------------------------------------------------------------------------------------------------------|-----------------|---------------|
| | £ | £ |
| Loss on ordinary activities before taxation | (55,801) | 81,630 |
| Realisation of revaluation gains of previous years | 324,895 | - |
| Difference between historical cost depreciation charge and depreciation charge based on revalued amounts | 6,954 | 4,365 |
| Historical cost profit on ordinary activities before taxation | 276,048 | 85,995 |
| Historical cost profit transferred to reserves | 217,548 | 53,895 |

The accompanying accounting policies and notes form an integral part of these financial statements.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services.

The loss on ordinary activities is stated after:

| | 14 months ended 28 February 2002 £ | 12 months ended 31 December 2000 £ |
|------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Auditors' remuneration | 10,000 | 7,400 |
| Depreciation: | | |
| Tangible fixed assets, owned | 64,423 | 73,192 |
| Tangible fixed assets, held under finance leases and hire purchase contracts | 33,821 | 32,515 |
| Hire of plant and machinery | 9,655 | 10,598 |
| Rent of land and buildings | 2,288 | - |
| Other operating income comprises: | | |
| Manufacturer's receivables | 129,671 | 141,862 |

2 NET INTEREST

| | 14 months ended 28 February 2002 £ | 12 months ended 31 December 2000 £ |
|----------------------------------------------|------------------------------------------------|------------------------------------------------|
| On bank loans and overdrafts | 57,509 | 66,568 |
| Finance charges in respect of finance leases | 4,653 | 9,187 |
| Interest payable to group undertakings | 31,340 | 42,735 |
| Other interest payable and similar charges | 7,244 | 7,196 |
| Other interest receivable and similar income | (2,385) | (83) |
| | 98,361 | 125,603 |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

3 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

| | 14 months ended 28 February 2002 £ | 12 months ended 31 December 2000 £ |
|-----------------------|------------------------------------------------|------------------------------------------------|
| Wages and salaries | 1,167,374 | 902,598 |
| Social security costs | 115,347 | 94,261 |
| Other pension costs | 1,503 | 2,340 |
| | <u>1,284,224</u> | <u>999,199</u> |

The average number of employees of the company during the period were as follows:

| | 2002 Number | 2000 Number |
|--------------------------|----------------|----------------|
| Production | 25 | 29 |
| Selling and distribution | 9 | 8 |
| Administration | 16 | 14 |
| | <u>50</u> | <u>51</u> |

Remuneration in respect of directors was as follows:

| | 14 months ended 28 February 2002 £ | 12 months ended 31 December 2000 £ |
|--------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Emoluments | 42,073 | 64,350 |
| Pension contributions to money purchase pension scheme | 1,365 | 2,340 |
| | <u>43,438</u> | <u>66,690</u> |

During the period one director (2000: one) participated in a money purchase pension scheme.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the 14 month period ended 28 February 2002

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

| | 14 months ended 28 February 2002 £ | 12 months ended 31 December 2000 £ |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Corporation tax at 30% | 85,000 | 37,100 |
| Total current taxation | 85,000 | 37,100 |
| Deferred tax origination and reversal of timing differences | (26,500) | (5,000) |
| Tax charge for the period | 58,500 | 32,100 |

Factors affecting the tax charge for the period:

| | 14 months ended 28 February 2002 £ | 12 month period ended 31 December 2000 £ |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|
| (Loss)/ Profit on ordinary activities before tax | (55,801) | 81,630 |
| (Loss)/ Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30%. | (16,740) | 24,489 |
| Effect of: | | |
| Expenses not deductible for tax purposes | 11,737 | 6,753 |
| Loss on sale of capital assets not qualifying for capital allowances | 44,586 | - |
| Deemed proceeds for assets disposed of to a related party (note 22) | 1,370 | - |
| Depreciation for the period in excess of capital allowances | 26,500 | 5,000 |
| Rounding adjustments | (670) | 858 |
| Other timing differences | 18,217 | - |
| Total current taxation | 85,000 | 37,100 |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

5 TANGIBLE FIXED ASSETS

| | Freehold land and buildings £ | Plant, equipment, furniture & fittings £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|----------------------------------------|----------------------------------------|------------------------------------------------------|------------------------|----------------------------------|----------------------------|------------------|
| Cost or valuation | | | | | | |
| At 1 January 2001 | 1,261,780 | 357,641 | 57,483 | 191,026 | 196,563 | 2,064,493 |
| Additions | - | 10,881 | - | 6,427 | 9,102 | 26,410 |
| Disposals | (1,194,863) | (4,249) | (37,497) | (410) | (7,581) | (1,244,600) |
| At 28 February 2002 | 66,917 | 364,273 | 19,986 | 197,043 | 198,084 | 846,303 |
| Depreciation | | | | | | |
| At 1 January 2001 | 49,363 | 201,174 | 28,865 | 145,310 | 162,610 | 587,322 |
| Provided in the period | 21,592 | 31,712 | 7,289 | 16,346 | 21,305 | 98,244 |
| Eliminated on disposals | (63,748) | (2,323) | (22,702) | (205) | (4,888) | (93,866) |
| At 28 February 2002 | 7,207 | 230,563 | 13,452 | 161,451 | 179,027 | 591,700 |
| Net book amount at 28 February 2002 | <u>59,710</u> | <u>133,710</u> | <u>6,534</u> | <u>35,592</u> | <u>19,057</u> | <u>254,603</u> |
| Net book amount at 31 December 2000 | <u>1,212,417</u> | <u>156,467</u> | <u>28,618</u> | <u>45,716</u> | <u>33,953</u> | <u>1,477,171</u> |

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

| | Plant, equipment, furniture & fittings £ | Motor vehicles £ | Computer equipment £ |
|-------------------------------------|------------------------------------------------------|------------------------|----------------------------|
| Net book amount at 28 February 2002 | <u>44,707</u> | <u>6,534</u> | <u>10,995</u> |
| Net book amount at 31 December 2000 | <u>53,039</u> | <u>27,153</u> | <u>14,702</u> |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

The figures stated above for cost or valuation include valuations as follows:

| | 2002 | Freehold land and buildings |
|-------------------------|---------------|----------------------------------------|
| | £ | 2000 |
| | | £ |
| At cost | 29,417 | 499,280 |
| At valuation: | | |
| Kenilworth Road (1989) | 37,500 | 37,500 |
| 364 Chester Road (1990) | - | 550,000 |
| Station Garage (1991) | - | 175,000 |
| | <u>66,917</u> | <u>1,261,780</u> |

If the freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amount:

| | Freehold land and buildings |
|-------------------------------------|--------------------------------------------|
| | £ |
| Cost | 50,623 |
| Accumulated depreciation | 7,207 |
| Net book amount at 28 February 2002 | <u>43,416</u> |
| Net book amount at 31 December 2000 | <u>864,274</u> |

6 STOCKS

| | 2002 | 2000 |
|-------------------------------------------|------------------|------------------|
| | £ | £ |
| Short-term work in progress | 601 | 303 |
| Finished goods and goods for resale | 1,221,107 | 1,496,373 |
| Vehicle consignment stock | 1,602,842 | 152,760 |
| Motability repurchase commitment vehicles | - | 942,713 |
| | <u>2,824,550</u> | <u>2,592,149</u> |

The company had an obligation to repurchase vehicles under agreements with Motability Finance Limited, the arrangement ended on 28 February 2002 and no vehicles remained outstanding under repurchase arrangements.

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principle been made to customer order. All other consignment vehicles are available for allocation to other Vauxhall Retailers. Consignment vehicles excluded from the balance sheet at 28 February 2002 had a cost of £nil (2000: £793,147).

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the 14 month period ended 28 February 2002

7 DEBTORS

| | 2002 £ | 2000 £ |
|--------------------------------------|----------------|----------------|
| Trade debtors | 128,416 | 207,072 |
| Amounts owed by related undertakings | 123,554 | 148,440 |
| Other debtors | 9,382 | 9,197 |
| Prepayments and accrued income | 44,513 | 42,435 |
| | <u>305,865</u> | <u>407,144</u> |

| | 2002 £ | 2000 £ |
|---------------------------------------------------------------------|----------------|----------------|
| An analysis of amounts owed by a related undertaking is as follows: | | |
| Vehicle related transactions due from Vauxhall Motors Limited | <u>123,554</u> | <u>148,440</u> |

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 £ | 2000 £ |
|------------------------------------------------|------------------|------------------|
| Amounts owed to group undertakings - loan | - | 42,500 |
| Bank overdraft | - | 134,763 |
| Trade creditors | 259,489 | 151,508 |
| Amounts owed to related undertakings - other | 2,850,603 | 1,439,568 |
| Motability repurchase commitments (see note 6) | - | 736,314 |
| Corporation tax | 35,089 | 22,600 |
| Social security and other taxes | 243,037 | 9,372 |
| Other creditors | 7,226 | 23,281 |
| Accruals and deferred income | 53,600 | 118,022 |
| Amounts due under finance leases | 17,372 | 49,826 |
| | <u>3,466,416</u> | <u>2,727,754</u> |

The bank overdraft was secured by an unlimited debenture and second legal charge over the company's land and buildings.

| | 2002 £ | 2000 £ |
|---------------------------------------------------------------------------|------------------|------------------|
| An analysis of amounts owed to related undertakings is as follows: | | |
| Vehicle related transactions due to General Motors Acceptance Corporation | 1,195,537 | 1,257,257 |
| Consignment vehicles on a General Motors Acceptance Corporation plan | 1,602,842 | 152,760 |
| Vehicle related transactions due to Vauxhall Motors Limited | 52,224 | 29,551 |
| General Motors Acceptance Corporation - Group Loan | - | 42,500 |
| | <u>2,850,603</u> | <u>1,482,068</u> |

All monies due to General Motors Acceptance Corporation are secured by a mixture of fixed and floating charges.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2002 £ | 2000 £ |
|------------------------------------------------|----------------|------------------|
| General Motors Acceptance Corporation Mortgage | - | 672,917 |
| Group loans | - | 60,000 |
| Amounts owed to 452 (Birmingham) Limited | 107,000 | 107,000 |
| Motability repurchase commitments (see note 6) | - | 206,399 |
| Amounts due under finance leases | 13,137 | 35,790 |
| | <u>120,137</u> | <u>1,082,106</u> |

An analysis of amounts owed to related parties is as follows:

| | 2002 £ | 2000 £ |
|------------------------------------------------|----------------|----------------|
| General Motors Acceptance Corporation mortgage | - | 672,917 |
| General Motors Acceptance - Group Loans | - | 60,000 |
| 452 (Birmingham) Limited | 107,000 | 107,000 |
| | <u>107,000</u> | <u>839,917</u> |

Borrowings are repayable as follows:

| | 2002 £ | 2000 £ |
|-------------------------------------|---------------|----------------|
| Within one year | | |
| Bank overdraft and other borrowings | - | 177,263 |
| Finance leases | 17,372 | 49,826 |
| After one and within two years | | |
| Other borrowings | - | 42,500 |
| Finance leases | 9,617 | 20,889 |
| After two and within five years | | |
| Other borrowings | - | 127,500 |
| Finance leases | 3,520 | 14,901 |
| After five years | | |
| Other borrowings | - | 562,917 |
| | <u>30,509</u> | <u>995,796</u> |

Other borrowings repayable after five years comprise:

| | 2002 £ | 2000 £ |
|----------------|-----------|----------------|
| Group loans | - | 60,000 |
| Group mortgage | - | 502,917 |
| | <u>-</u> | <u>562,917</u> |

The group loan was secured by an unlimited debenture subject to a deed of priority. The bank had priority over debtors up to £200,000, and also by a second legal charge over the company's land and buildings.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

The amounts owed to group undertakings represents loans of £nil (2000 : £732,917) from General Motors Acceptance Corporation. The loans and other group borrowings were secured by way of legal charges over the freehold land and buildings and other assets, by way of fixed floating charge over all other assets. The loan carried interest at commercial rates and became repayable when 80% of the dealer franchise has been acquired. The total amount of the loan any part of which falls due after more than five years is £nil (2000: £775,417).

10 PROVISIONS FOR LIABILITIES AND CHARGES

| | Deferred taxation (note 11) £ | Other provisions £ | Total £ |
|----------------------------|----------------------------------------|--------------------------|---------------|
| At 1 January 2001 | 44,000 | - | 44,000 |
| Provided during the period | - | 60,140 | 60,140 |
| Reversed in the period | (26,500) | - | (26,500) |
| At 28 February 2002 | <u>17,500</u> | <u>60,140</u> | <u>77,640</u> |

Other provisions represent costs incurred to decontaminate land previously owned and occupied by the company.

11 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

| | Amount provided | |
|--------------------------------|-----------------|---------------|
| | 2002 £ | 2000 £ |
| Accelerated capital allowances | <u>17,500</u> | <u>44,000</u> |

12 SHARE CAPITAL

| | 2002 £ | 2000 £ |
|-------------------------------------------------------------------------|----------------|----------------|
| Authorised 100,000 ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |
| Allotted, called up and fully paid 77,000 ordinary shares of £1 each | <u>77,000</u> | <u>77,000</u> |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the 14 month period ended 28 February 2002

13 RESERVES

| | Revaluation reserve £ | Profit and loss account £ |
|--------------------------------------------------------------|-----------------------------|---------------------------------|
| At 1 January 2001 | 348,143 | 197,941 |
| Retained loss for the period | - | (114,301) |
| Transfer from revaluation reserve to profit and loss account | (331,849) | 331,849 |
| At 28 February 2002 | <u>16,294</u> | <u>415,489</u> |

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2002 £ | 2000 £ |
|-----------------------------------------------------------------------|----------------|----------------|
| Loss for the financial period and net decrease in shareholder's funds | (114,301) | 49,530 |
| Shareholders' funds at 1 January 2001 | <u>623,084</u> | <u>573,554</u> |
| Shareholders' funds at 28 February 2002 | <u>508,783</u> | <u>623,084</u> |

15 NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2002 £ | 2000 £ |
|-------------------------------------------|------------------|----------------|
| Operating profit | 248,675 | 207,233 |
| Depreciation | 98,244 | 105,707 |
| Loss on sale of tangible fixed assets | 5,534 | - |
| (Increase)/ decrease in stocks | (232,401) | 762,178 |
| Decrease in debtors | 101,279 | 64,266 |
| Increase/ (decrease) in creditors | 789,631 | (874,060) |
| Net cash inflow from operating activities | <u>1,010,962</u> | <u>265,324</u> |

16 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2002 £ | 2000 £ |
|------------------------------------------------|--------------------|--------------------|
| Increase/ (decrease) in cash in the period | 922,241 | (22,104) |
| Cash outflow from financing in the period | 775,417 | 87,500 |
| Cash outflow from finance leases in the period | 55,107 | 36,630 |
| Change in net debt resulting from cashflows | 1,752,765 | 102,026 |
| Net debt at 1 January 2001 | <u>(1,102,316)</u> | <u>(1,204,342)</u> |
| Net funds at 28 February 2002 | <u>650,449</u> | <u>(1,102,316)</u> |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the 14 month period ended 28 February 2002

17 ANALYSIS OF CHANGES IN NET DEBT

| | At 1 January 2001 £ | Cash flow £ | At 28 February 2002 £ |
|--------------------------|------------------------------|------------------|--------------------------------|
| Cash in hand and at bank | 480 | 787,478 | 787,958 |
| Overdrafts | (134,763) | 134,763 | - |
| Debt | (882,417) | 775,417 | (107,000) |
| Finance leases | (85,616) | 55,107 | (30,509) |
| | <u>(1,102,316)</u> | <u>1,752,765</u> | <u>650,449</u> |

18 CAPITAL COMMITMENTS

The company had no capital commitments at 28 February 2002 or 31 December 2000.

19 CONTINGENT LIABILITIES

There were no contingent liabilities at 28 February 2002 or 31 December 2000.

20 PENSIONS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of one director. The assets of the scheme are administered by trustees in funds independent from those of the company.

21 LEASING COMMITMENTS

Operating lease payments amounting to £6,807 (2002: £7,270) are due within one year. The leases to which these amounts relate expire as follows:

| | 2002 Other £ | 2000 Other £ |
|----------------------------|--------------------|--------------------|
| In one year or less | 1,357 | 1,325 |
| Between one and five years | 5,450 | 5,945 |
| | <u>6,807</u> | <u>7,270</u> |

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the 14 month period ended 28 February 2002

22 TRANSACTIONS WITH RELATED PARTIES

| Name of related party | Value of transactions | | Amounts written off or provided in the period £ |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------|----------------------------------------------------------------|
| | 2002 £ | 2000 £ | |
| Vauxhall Motors Limited. Subsidiary of General Motors Corporation - vehicle related sales transactions | 676,045 | 690,409 | - |
| Vauxhall Motors Limited. Subsidiary of General Motors Corporation - vehicle related purchase transactions | 566,357 | 608,883 | - |
| Consultancy - J R Craven Jones | 6,250 | 15,000 | - |
| General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - loan repayments | 775,417 | 142,151 | - |
| General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - vehicle financing sales transactions | 676,045 | 897,700 | - |
| General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - vehicle related purchase transactions | 7,501,386 | 5,943,937 | - |
| Fellow-controlled retailers. Subsidiaries of General Motors Corporation - vehicle related purchase transactions | 5,089 | 1,178 | - |
| Fellow-controlled retailers. Subsidiaries of General Motors Corporation - vehicle related sales transactions | 1,957 | - | - |

Other transactions with other related parties were as follows:

During the period fixed assets with a net book value of £4,566 were given to Mr Richard Craven-Jones. Mr Craven-Jones served as a director during the 14 month period ended 28 February 2002.

During the period freehold property was sold to General Motors Acceptance Corporation (UK) plc for a consideration of £925,000. This realised a loss on disposal of £206,115.

As a 90% owned subsidiary of Lookers plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by that company.

LOOKERS BIRMINGHAM LIMITED (FORMERLY 452 MOTOR COMPANY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 14 month period ended 28 February 2002

23 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The directors consider that since 19 February 2002 the ultimate parent undertaking of this company has been Lookers plc. Prior to that date, the directors consider that the ultimate parent undertaking was General Motors Corporation incorporated in the United States of America and this company's controlling related party was Vauxhall Motors Limited, a subsidiary of General Motors Corporation.

DSM Autos Limited is now the company's controlling related party by virtue of 99% of the issued share capital in the company's immediate parent undertaking 452 (Birmingham) Limited. The ultimate controlling related party of the company is Lookers plc, as a result of DSM Autos Limited being one of its subsidiary undertakings.

The largest group of undertakings for which group accounts are drawn up is that headed by Lookers plc which is registered in England. Copies of the accounts can be obtained at 776 Chester Road, Stretford, Manchester, M32 0QH.