

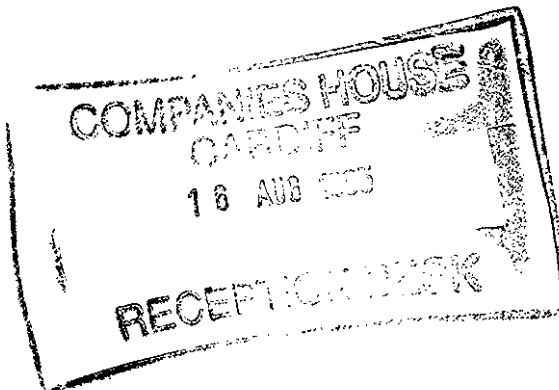
Registered in England and Wales No 860646

452 MOTOR COMPANY LIMITED

FINANCIAL STATEMENTS

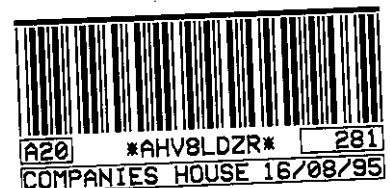
FOR THE YEAR ENDED

30 NOVEMBER 1994



RAFTERY & CO
Chartered Accountants
Registered Auditor

Marlborough House
Warwick Road
Solihull
West Midlands
B91 3DA



A member of the UK200 Group of practising Chartered Accountants

452 MOTOR COMPANY LIMITED**REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their Report and the financial statements of the company for the year ended 30 November 1994.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law 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 judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVITIES

The principal activities of the company are those of Motor Agents and Engineers.

REVIEW OF THE BUSINESS

The directors regard the trading results as satisfactory in a market place where trading continues to be difficult. New and used car sales margins continued to be under pressure but were partly compensated by increased volume. Other departments continued to improve their contribution and the new bodyshop which came on stream in March made a satisfactory first year contribution. The recovery department looks set for continued growth with our appointment of a contract from the Automobile Association.

452 MOTOR COMPANY LIMITED**REPORT OF THE DIRECTORS (CONTINUED)****FINANCIAL RESULTS**

Details of the results for the year are set out in the profit and loss account on page 4. The state of affairs of the company is set out in the balance sheet on page 5 and is considered by the directors to be satisfactory.

The directors proposed and paid a dividend of £13,333 during the year. The retained profit after dividend of £61,073 (1993 : £53,560) was transferred to reserves.

TANGIBLE FIXED ASSETS

The movements in tangible fixed assets during the year are set out in Note 6 to the financial statements.

DIRECTORS


The Directors who served during the year and their interests in the £1 ordinary shares of the Company are as follows:

	<u>No of Shares</u>
	<u>At 30 November 1994 and 1993</u>
J R Craven-Jones	28,875
Mrs J A Craven-Jones	28,875
R Craven-Jones	9,625
A Craven-Jones	9,625

AUDITORS

The Auditors, Raftery & Co., have indicated their willingness to accept re-appointment under section 385A(2) of the Companies Act 1985.

BY ORDER OF THE BOARD



A Craven-Jones - Secretary

364 Chester Road
Castle Bromwich
Birmingham
B36 0LD

REPORT OF THE AUDITORS, RAFTERY & CO
TO THE MEMBERS OF
452 MOTOR COMPANY LIMITED

We have audited the financial statements set out on pages 4 to 14, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described in the report of the directors the company's 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 report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Audit Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 1994 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


RAFTERY & Co
Chartered Accountants
Registered Auditor

Marlborough House
Warwick Road
Solihull
West Midlands
B91 2DA

6 February 1995

452 MOTOR COMPANY LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 NOVEMBER 1994

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
Gross Profit		1,321,485	1,192,873
Administrative Expenses		(<u>1,109,185</u>)	(<u>937,815</u>)
Operating Profit	3	212,300	255,058
Loss on sale of Fixed Assets		(<u>953</u>)	(<u>1,149</u>)
Profit on Ordinary Activities before Interest		211,347	253,909
Interest payable and similar charges	2	(<u>110,861</u>)	(<u>131,982</u>)
Profit on Ordinary Activities before Taxation		100,486	121,927
Tax on Profit on Ordinary Activities	5	<u>26,080</u>	<u>41,700</u>
Profit on Ordinary Activities after Taxation		74,406	80,227
Dividend		<u>13,333</u>	<u>26,667</u>
Profit for the Financial Year		61,073	53,560
Retained Profit brought forward		<u>209,090</u>	<u>155,530</u>
Retained Profit carried forward		£ <u>270,163</u>	£ <u>209,090</u>

The only recognised gain for the year is the profit for the year of £61,073. (1993: £53,560).

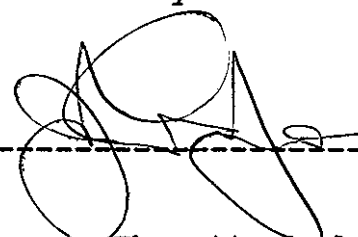
There were no acquisitions and no discontinued operations in the year.

The attached notes form part of these financial statements

452 MOTOR COMPANY LIMITEDBALANCE SHEETAT 30 NOVEMBER 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible Assets	6	1,211,558	1,136,050
Investments	7	<u>100</u>	<u>-</u>
		1,211,658	1,136,050
CURRENT ASSETS			
Stocks	8	777,012	670,905
Debtors	9	425,592	361,547
Cash in hand and at bank		<u>1,100</u>	<u>-</u>
		1,203,704	1,032,452
Creditors: Amounts falling due within one year	10	(<u>1,216,010</u>)	(<u>1,034,936</u>)
Net Current Liabilities		(<u>12,306</u>)	(<u>2,484</u>)
Total Assets less current liabilities		1,199,352	1,133,566
Creditors: Amounts falling due after more than one year	11	(466,157)	(462,944)
Provision for Liabilities and Charges	14	(<u>24,700</u>)	(<u>23,200</u>)
NET ASSETS		£ <u>708,495</u>	£ <u>647,422</u>
CAPITAL AND RESERVES			
Called up Share Capital	12	77,000	77,000
Revaluation Reserve	13	361,332	361,332
Profit & Loss Account		<u>270,163</u>	<u>209,090</u>
		£ <u>708,495</u>	£ <u>647,422</u>

The financial statements were approved by the Directors on
6 February 1995 and signed on behalf of the Board by:

----- Director

The attached notes form part of these financial statements

452 MOTOR COMPANY LIMITEDCASHFLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994	1993
	£	£
Net Cash Inflow from Operating Activities (Note 18)	164,846	159,048
Returns on Investment and Servicing of Finance:		
Dividend paid	(13,333)	(26,667)
Interest Paid	(<u>110,861</u>)	(<u>131,982</u>)
	(<u>124,194</u>)	(<u>158,649</u>)
	40,652	399
Taxation:		
Tax paid	(18,580)	-
Investing Activities:		
Payments to acquire Tangible Fixed Assets	(136,609)	(124,238)
Investment in Subsidiary Undertaking	(100)	-
Receipts from Sales of Tangible Fixed Assets	<u>6,500</u>	<u>15,250</u>
	(<u>130,209</u>)	(<u>108,988</u>)
Net Cash Outflow before Financing	(108,137)	(108,589)
Financing:		
Increase in Loan Repayable 2002	50,000	-
New HP Agreements undertaken during the year	97,442	50,695
Repayment of Amounts Borrowed	(34,989)	(30,144)
Repayment of Capital Element of HP Agreements	(<u>63,370</u>)	(<u>66,481</u>)
	<u>49,083</u>	(<u>45,930</u>)
Decrease in Cash and Cash Equivalents	£(<u>59,054</u>)	£(<u>154,519</u>)

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 NOVEMBER 1994****1. ACCOUNTING POLICIES****a) Basis of preparation of the Financial Statements**

The financial statements have been prepared under the historical cost accounting convention as modified by the revaluation of certain freehold property, and in accordance with applicable Accounting Standards. The results of the subsidiary undertaking have been excluded on the grounds that they are not material to the results of the group as a whole. No consolidated accounts have therefore been prepared.

b) Turnover

Turnover represents amounts receivable, net of value added tax, in respect of external sales in the ordinary course of business and hire purchase commission, all of which were made in the UK.

c) Stocks

Stocks have been valued at the lower of cost and net realisable value. Stocks held on consignment are excluded from the accounts until title thereto passes to the company.

d) Fixed Assets

Tangible assets are depreciated over their estimated useful lives. The following depreciation rates are used:

Freehold Property	0%
Garage Equipment	10% Reducing balance basis
Furniture, Fixtures and Office Equipment	7.5% Straight line basis
Motor Vehicles	25% Straight line basis
Computer Equipment	15% Straight line basis

It is company policy to maintain its freehold property in a good state of repair. There is currently no significant diminution in value of the company's freehold property and no depreciation is therefore provided in the accounts.

e) Interest Charges

Interest charges on loans and hire purchase agreements are spread over the period of the loan or agreement in proportion to the balance outstanding.

f) Operating Leases

Charges on operating leases are spread over the period of the lease on a straight line basis.

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 NOVEMBER 1994****1. ACCOUNTING POLICIES (Continued)****g) Deferred Taxation**

Taxation deferred by capital allowances and other timing differences is provided to the extent that, in the opinion of the directors, any liability will crystallise in the foreseeable future.

h) Pension Costs

Pension costs are charged in the profit and loss account in the period to which they relate.

2. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1994</u> £	<u>1993</u> £
On bank loans and overdrafts whenever repayable and other loans wholly repayable within five years	44,972	46,210
Hire purchase interest	9,059	14,094
Other interest	<u>56,830</u>	<u>71,678</u>
	<u>£110,861</u>	<u>£131,982</u>

3. OPERATING PROFIT

	<u>1994</u> £	<u>1993</u> £
a) The operating profit is stated after charging the following amounts:		
Depreciation - Owned assets	34,711	20,329
- Assets subject to hire purchase agreements	18,937	16,802
Auditors' remuneration	6,250	6,250
Directors' emoluments	197,547	170,404
Hire of equipment	6,712	5,126
b) The chairman's emoluments	46,000	46,361
The emoluments of the highest paid director	46,000	46,361
The emoluments of the other directors were in the following scale:		
	<u>Number</u>	<u>Number</u>
£15,001 - £20,000	-	1
£25,001 - £30,000	1	-
£30,001 - £35,000	-	2
£35,001 - £40,000	2	-

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 NOVEMBER 1994****4. EMPLOYEES**

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Employment costs were as follows:		
Wages and salaries	731,993	571,020
Social security costs	74,464	61,131
Pension and other costs	<u>52,309</u>	<u>43,462</u>
	<u>£858,766</u>	<u>£675,613</u>

The average number of employees
(including directors) was as follows:

	<u>Number</u>	<u>Number</u>
Administration	14	12
Garage staff	<u>35</u>	<u>26</u>
	<u>49</u>	<u>38</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge, which is based on the
profit for the year, comprises the
following:

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
UK Corporation Tax @ 25%	24,500	18,500
Prior year adjustment	80	-
Transfer to deferred tax provision	<u>1,500</u>	<u>23,200</u>
	<u>£26,080</u>	<u>£41,700</u>

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 NOVEMBER 1994****6. TANGIBLE ASSETS**

	Free- hold Pro- perty £	Motor Veh- cles £	Furniture Fixtures & Office Equip- ment £	Garage Equip- ment £	Comp- uter Equip- ment £	Total £
COST OR VALUATION						
At 1 December 1993	906,015	30,140	156,789	173,177	71,597	1,337,718
Additions	26,606	22,949	5,043	54,129	27,882	136,609
Disposals	-	(9,938)	-	-	-	(9,938)
At 30 November 1994	<u>932,621</u>	<u>43,151</u>	<u>161,832</u>	<u>227,306</u>	<u>99,479</u>	<u>1,464,389</u>
At Valuation (1989)	37,500	-	-	-	-	37,500
At Valuation (1990)	550,000	-	-	-	-	550,000
At Valuation (1991)	175,000	-	-	-	-	175,000
At Cost	<u>170,121</u>	<u>43,151</u>	<u>161,832</u>	<u>227,306</u>	<u>99,479</u>	<u>701,889</u>
	<u>932,621</u>	<u>43,151</u>	<u>161,832</u>	<u>227,306</u>	<u>99,479</u>	<u>1,464,389</u>

DEPRECIATION

At 1 December 1993	-	4,289	77,018	70,612	49,749	201,668
Charge for the year	-	10,885	12,041	15,747	14,975	53,648
On Disposals	-	(2,485)	-	-	-	(2,485)
At 30 November 1994	<u>-</u>	<u>12,689</u>	<u>89,059</u>	<u>86,359</u>	<u>64,724</u>	<u>252,831</u>

NET BOOK VALUE

At 30 November 1994	<u>932,621</u>	<u>30,462</u>	<u>72,773</u>	<u>140,947</u>	<u>34,755</u>	<u>1,211,558</u>
At 1 December 1993	<u>906,015</u>	<u>25,851</u>	<u>79,771</u>	<u>102,565</u>	<u>21,848</u>	<u>1,136,050</u>

If the company's freehold property had not been revalued, it would have been included at the following amount in the Balance Sheet:

	<u>1994</u> £	<u>1993</u> £
Cost	£571,289	£544,683
Depreciation	£ -	£ -

Included in the total Net Book Value of Tangible Fixed Assets held at 30 November 1994 was £143,727 in respect of assets held under finance leases and hire purchase agreements (1993: £114,807).

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1994**7. INVESTMENTS**

During the year the company purchased 100% of the issued share capital of 452 Fleet Management Limited, a company incorporated in England and Wales.

8. STOCKS

	<u>1994</u> £	<u>1993</u> £
Parts and accessories stock	126,671	102,966
Motor vehicles	<u>650,341</u>	<u>567,939</u>
	<u>£777,012</u>	<u>£670,905</u>

9. DEBTORS

	<u>1994</u> £	<u>1993</u> £
Trade debtors	402,037	236,535
Other debtors	11,386	116,367
Prepayments and accrued income	<u>12,169</u>	<u>8,645</u>
	<u>£425,592</u>	<u>£361,547</u>

10. CREDITORS: Amounts falling due within one year

	<u>1994</u> £	<u>1993</u> £
Bank loans and overdrafts	288,640	221,473
Payments on account	16,358	23,199
Trade creditors	708,961	654,097
Corporation tax	24,500	18,500
Taxation and social security	113,032	59,261
Hire purchase liability	39,218	30,203
Accruals and deferred income	<u>25,301</u>	<u>28,203</u>
	<u>£1,216,010</u>	<u>£1,034,936</u>

Secured Liabilities

At 30 November 1994, the aggregate amount of liabilities secured on the company's assets amounted to £327,858 (1993: £251,676).

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 NOVEMBER 1994****11. CREDITORS: amounts falling due after more than one year**

	<u>1994</u>	<u>1993</u>
	£	£
Bank loans and overdrafts	336,759	328,761
Hire purchase liability	48,523	23,466
Other creditors	37,800	44,800
Director's loan	<u>43,075</u>	<u>65,917</u>
	<u>£466,157</u>	<u>£462,944</u>

Loans

Amounts repayable by instalments over periods of between seven and ten years, with interest at 3% over bank base rate

	<u>1994</u>	<u>1993</u>
	£	£
Repayable within five years	192,433	164,380
Repayable after five years	144,326	164,381

Secured Liabilities

At 30 November 1994, the aggregate amount of liabilities secured on the company's assets amounted to £385,282 (1993: £352,227).

12. SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£	£
Authorised:		
100,000 ordinary shares of £1	<u>£100,000</u>	<u>£100,000</u>
Allotted, called up and fully paid:		
77,000 ordinary shares of £1	<u>£ 77,000</u>	<u>£ 77,000</u>

13. REVALUATION RESERVE

	<u>1994</u>	<u>1993</u>
	£	£
Balance at 1 December 1993 and 30 November 1994	<u>£361,332</u>	<u>£361,332</u>

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 NOVEMBER 1994****14. PROVISION FOR LIABILITIES AND CHARGES**

	<u>Deferred Taxation</u> £
Balance at 1 December 1993	23,200
Charge for the year	<u>1,500</u>
Balance at 30 November 1994	<u>£24,700</u>

The amount provided and the total potential liability for deferred taxation, calculated on the liability method, is as follows:

	1994		1993	
	<u>Provided</u> £	<u>Potential</u> £	<u>Provided</u> £	<u>Potential</u> £
Accelerated capital allowances	24,700	24,700	23,200	23,200
Arising from revaluation of property	<u>-</u>	<u>46,400</u>	<u>-</u>	<u>51,200</u>
	<u>£24,700</u>	<u>£71,100</u>	<u>£23,200</u>	<u>£74,400</u>

15. LEASING COMMITMENTS

The company had operating lease commitments at 30 November as follows:

	<u>1994</u> £	<u>1993</u> £
Date of lease termination:		
Within one year	5,000	5,000
In second to fifth years inclusive	1,756	1,756

16. CAPITAL COMMITMENTS

	<u>1994</u> £	<u>1993</u> £
Authorised and contracted for	-	-
Authorised but not contracted for	<u>-</u>	<u>18,000</u>
	<u>£ -</u>	<u>£18,000</u>

452 MOTOR COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 NOVEMBER 1994****17. PENSIONS**

The company operates three money purchase pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge in the profit and loss account represents contributions paid by the company to the funds and amounted to £44,291 (1993: £36,370). There are no contributions outstanding at the year end. (1993: £Nil).

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u> £	<u>1993</u> £
Operating profit before interest	211,347	253,909
Depreciation	53,648	37,131
Loss on sale of fixed assets	953	1,149
Increase in stocks	(106,107)	(279,199)
Increase in debtors	(64,045)	(81,494)
Increase in creditors	<u>69,050</u>	<u>227,552</u>
Net cash inflow from operating activities	<u>£164,846</u>	<u>£159,048</u>

19. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	£
Balance at 1 December 1993	(180,378)
Net cash outflow	(<u>59,054</u>)
Balance at 30 November 1994	<u>£(239,432)</u>

20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital £	Long Term Loans £	HP Agreements £
Balance as at 1 December 1993	77,000	369,856	53,669
Repayment of long term loans	-	(34,989)	-
Increase in long term loans	-	50,000	-
New HP Agreements undertaken during the year	-	-	97,442
Repayments of capital element of HP agreements	<u>-</u>	<u>-</u>	<u>(63,370)</u>
Balance as at 30 November 1994	<u>£77,000</u>	<u>£384,867</u>	<u>£87,741</u>