

DAVENPORT VERNON WELWYN GARDEN CITY LIMITED

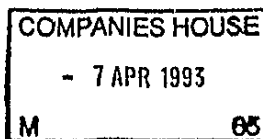
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1992

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Company Number: 1499232



FRASER & RUSSELL
Chartered Accountants
4 London Wall Buildings
LONDON EC2M 5NT

DAVENPORT VERNON WELWYN GARDEN CITY LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 30TH SEPTEMBER 1992

The Directors present their annual report and the audited Financial Statements for the year ended 30th September 1992.

<u>RESULTS AND DIVIDENDS</u>	<u>1992</u> £	<u>1991</u> £
Profit before Taxation	140,840	152,337
Taxation	<u>45,893</u>	<u>49,894</u>
Profit after Taxation	£ 94,947	£102,443
	=====	=====
Proposed Final Dividend	55,000	60,000
Transferred to Reserves	<u>39,947</u>	<u>42,443</u>
	£ 94,947	£102,443
	=====	=====

The Directors recommend a dividend of £1 (1991:£1.20) per share.

REVIEW OF THE BUSINESS

The Company has continued to trade as motor vehicle agents with supporting service and parts facilities. These activities are unchanged from the previous year. The profit and loss account for the year is set out on page 4. The Directors consider the state of affairs of the Company and the present level of trading to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company during the year and their interests in shares of Davenport Vernon PLC were:

	<u>Shares</u>		<u>Share Options</u>	
	<u>30.9.92</u>	<u>1.10.91</u>	<u>30.9.92</u>	<u>1.10.91</u>
D.R. Denne (Chairman) (retired 15.7.1992)				
D.J. Baker (Chairman)				
A.G. Adams (resigned 17.9.1992)				
C. Porter	-	-	16,000	16,000
S.R. Swaine	-	-	20,918	20,918
M.R. Bennett (appointed 15.7.1992)				

Mr. M.R. Bennett retires from the Board by rotation, and, being eligible, offers himself for re-election.

As this company is a wholly owned subsidiary, Messrs. M.R. Bennett and D.J. Baker, who are also directors of the holding company, are not required to declare to this company their interests in shares of any group company. The share options tabulated above relate to two schemes, which are exercisable at 62.5p, 100p and 122p each at various dates between 1992 and 1998.

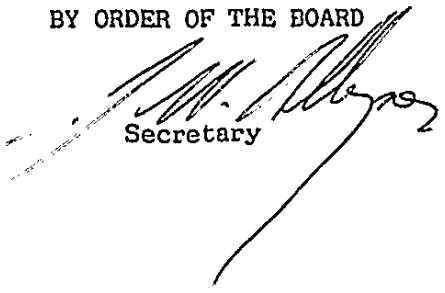
DAVENPORT VERNON WELWYN GARDEN CITY LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 30TH SEPTEMBER 1992(Continued)FIXED ASSETS

The movements in Fixed Assets are shown in note 9 to the Financial Statements.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Fraser & Russell, Chartered Accountants and Registered Auditor, as Auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD


SecretaryRegistered Office

London Road
High Wycombe
Bucks.
HP11 1EU

Dated: 15th January 1993

REPORT OF THE AUDITORS TO THE MEMBERS OF
DAVENPORT VERNON WELWYN GARDEN CITY LIMITED

We have audited the Financial Statements on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 30th September 1992, and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fraser & Russell

Chartered Accountants
and Registered Auditor

4 London Wall Buildings
LONDON EC2M 5NT

Dated: 15th January 1993

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DAVENPORT VERNON WELWYN GARDEN CITY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1992

	<u>Notes</u>	<u>1992</u> £	<u>1991</u> £
<u>TURNOVER</u>	2	4,569,957	4,573,296
Cost of Sales		<u>4,148,561</u>	<u>4,124,551</u>
<u>GROSS PROFIT</u>		421,396	448,745
Administrative Expenses		<u>233,072</u>	<u>235,417</u>
Other Operating Income		<u>188,324</u> <u>578</u>	<u>213,328</u> <u>2,000</u>
<u>OPERATING PROFIT</u>	3	188,902	215,328
Interest Payable	6	<u>(48,062)</u>	<u>(62,991)</u>
<u>PROFIT BEFORE TAXATION</u>		140,840	152,337
Taxation	7	<u>45,893</u>	<u>49,894</u>
<u>PROFIT AFTER TAXATION</u>		94,947	102,443
Dividends	8	<u>55,000</u>	<u>60,000</u>
<u>RETAINED PROFIT FOR THE YEAR</u>		39,947	42,443
Profit and Loss Account brought forward		<u>120,850</u>	<u>78,407</u>
<u>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</u>		<u>£ 160,797</u>	<u>£ 120,850</u>

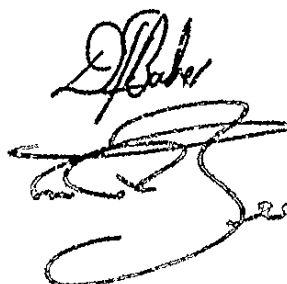
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DAVENPORT VERNON WELWYN GARDEN CITY LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 1992

	<u>Notes</u>	£	<u>1992</u>	£	£	<u>1991</u>	£
<u>FIXED ASSETS</u>							
Tangible Assets	9		724,212			548,520	
<u>CURRENT ASSETS</u>							
Stocks	10	295,226			265,051		
Deposits on Vehicles	11	46,439			22,352		
Debtors	12	204,830			178,494		
Cash at Bank and in Hand		203			71,911		
			546,698		537,808		
<u>CREDITORS: Amounts falling due within one year</u>	13		<u>778,224</u>			<u>631,089</u>	
<u>NET CURRENT LIABILITIES</u>				(231,526)			(93,281)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>							455,239
<u>DEFERRED TAXATION</u>	14			-			2,500
				£492,686			£452,739
<u>Financed by:</u>							
<u>CAPITAL AND RESERVES</u>							
Called Up Share Capital	15	50,000			50,000		
Revaluation Reserve	16	281,889			281,889		
Profit and Loss Account		160,797			120,850		
			£492,686			£452,739	

These Financial Statements were approved by the Board of Directors on 15 Dec 1993

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Directors

DAVENPORT VERNON WELWYN GARDEN CITY LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30TH SEPTEMBER 19921. ACCOUNTING POLICIESa) Basis of Financial Statements

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings, and in accordance with applicable accounting standards.

b) Depreciation

Depreciation is provided in order to write off the cost or valuation of tangible fixed assets on a straight line basis over the estimated lives of the assets concerned. The effective lives are as follows:-

Freehold Property	- Not depreciated
Plant and Equipment	- 10% - 33%

Depreciation is not provided on freehold buildings as the group's policy is to maintain these assets in a continual state of sound repair thereby extending their useful economic lives and maintaining high residual values such that any annual depreciation arising would not be material. The cost of maintenance is charged to the profit and loss account.

c) Stocks

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

d) Deferred Taxation

Provision is made for deferred taxation in respect of timing differences between depreciation and capital allowances. Provision is also made, where appropriate, for taxation deferred by capital gains roll-over relief. Provision is not made in respect of potential capital gains arising from revaluation of properties, except where the directors intend to dispose of the property in the foreseeable future.

2. TURNOVER

Turnover represents the total amount realisable for goods sold and services provided, excluding Value Added Tax.

3. OPERATING PROFIT is after charging:

	<u>1992</u>	<u>1991</u>
	£	£
Directors' Emoluments (Note 4)	42,571	43,553
Auditors' Remuneration	3,450	3,300
Depreciation	19,793	24,953
	<u> </u>	<u> </u>

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DAVENPORT VERNON WELWYN GARDEN CITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1992
(Continued)

<u>4. DIRECTORS' EMOLUMENTS</u>	<u>1992</u> £	<u>1991</u> £
(a) Executive Emoluments	39,669	40,200
Pension Contributions	2,902	3,353
	<u>£ 42,571</u>	<u>£ 43,553</u>
(b) Emoluments of the Chairman	Nil	Nil
(c) Emoluments of the Highest Paid Director	39,669	40,200
(d) Scale of Directors' Emoluments		
£ Nil - £ 5,000	5	4
£35,001 - £40,000	1	-
£40,001 - £45,000	-	1
(e) The emoluments of those directors who are also directors of the holding company or a fellow subsidiary company have been wholly paid by those companies in the year and have been included in management charges borne by Davenport Vernon Welwyn Garden City Limited.		
<u>5. STAFF COSTS (including Executive Directors)</u>		
a) Wages and Salaries	263,509	262,769
Social Security Costs	22,919	24,421
Other Pension Costs	9,034	8,104
	<u>£295,462</u>	<u>£295,294</u>
b) Average number of persons employed	<u>22</u>	<u>21</u>
<u>6. INTEREST PAYABLE</u>		
Stocking Finance	11,134	10,840
Bank Overdraft	1,004	4,913
Group Loans	35,924	47,238
	<u>£ 48,062</u>	<u>£ 62,991</u>
<u>7. TAXATION</u>		
Corporation Tax Payable on Profits for the year at 33% (1991: 33.5%)	49,000	53,000
Deferred Taxation	(2,500)	(2,000)
Adjustment in respect of prior years	(607)	(1,106)
	<u>£ 45,893</u>	<u>£ 49,894</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1992

(Continued)

8. <u>DIVIDENDS</u>	<u>1992</u>		<u>1991</u>	
	<u>Per Share</u>	<u>£</u>	<u>Per Share</u>	<u>£</u>
Final Proposed	£1	£55,000	£ 1.20	£60,000
	=====	=====	=====	=====

9. <u>TANGIBLE FIXED ASSETS</u>	<u>Freehold Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost or Valuation</u>			
At 1st October 1991	494,916	194,323	689,239
Additions	186,677	16,010	202,687
Disposals	-	(10,478)	(10,478)
At 30th September 1992	681,593	199,855	881,448
	=====	=====	=====
<u>Depreciation</u>			
At 1st October 1991	-	140,723	140,719
Provided	-	19,793	19,793
Disposals	-	(3,280)	(3,280)
At 30th September 1992	-	157,236	157,232
	=====	=====	=====
<u>Net Book Value</u>			
At 30th September 1992	£681,593	£ 42,619	£724,212
	=====	=====	=====
At 30th September 1991	£494,916	£ 53,604	£548,520
	=====	=====	=====

The Freehold Land and Buildings were valued by The Wallis Partnership on the 30th September 1988 on the basis of existing use. The surplus on revaluation was transferred to the Revaluation Reserve (Note 16).

Had the freehold property not been revalued it would have been included at the following values:

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Cost	408,769	222,092
Aggregate Depreciation	9,065	9,065
Net Value	£399,704	£213,027
	=====	=====

DAVENPORT VERNON WELWYN GARDEN CITY LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30TH SEPTEMBER 1992(Continued)

<u>10. STOCKS</u>	<u>1992</u> £	<u>1991</u> £
Motor Vehicles	226,789	195,517
Parts	50,165	47,989
Petrol and Lubricants	18,272	21,545
	<u>£295,226</u>	<u>£265,051</u>

11. DEPOSITS ON VEHICLES

Deposits are placed with vehicle suppliers to obtain consignment stocks on a sale or return basis. Vehicle stocking finance (Note 13) is secured by a charge on the vehicles concerned.

<u>12. DEBTORS</u>	<u>1992</u> £	<u>1991</u> £
Trade Debtors	153,909	139,509
Prepayments and Accrued Income	48,682	34,943
Amounts due from Group Undertakings	2,239	4,042
	<u>£204,830</u>	<u>£178,494</u>

13. CREDITORS: Amounts falling due within one year

Bank Overdraft	26,371	-
Trade Creditors	248,224	217,181
Amounts due to Group Undertakings	300,002	201,772
Stocking Finance (Note 11)	46,439	22,352
Corporation Tax	41,613	53,000
Other Taxes and National Insurance Contributions	13,253	45,613
Accruals	24,283	31,171
Proposed Dividend	55,000	60,000
Hire Purchase	23,039	-
	<u>£778,224</u>	<u>£631,089</u>

DAVENPORT VERNON WELWYN GARDEN CITY LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30TH SEPTEMBER 1992(Continued)

	<u>1992</u> £	<u>1991</u> £
<u>14. DEFERRED TAXATION</u>		
a) Deferred Taxation Provided	£ - =====	£ 2,500 =====
b) The full potential liability for deferred taxation is as follows:-		
Capital allowances in excess of depreciation	£ - =====	£ 2,500 =====
<u>15. CALLED UP SHARE CAPITAL</u>		
<u>Ordinary Shares</u>		
<u>Authorised, Issued and Fully Paid</u>		
50,000 Shares of £1 each	£ 50,000 =====	£ 50,000 =====
<u>16. REVALUATION RESERVE</u>		
Surplus on revaluation of land and buildings:-	<u>1992</u> £	<u>1991</u> £
Balance at 1st October 1991 and 30th September 1992	£281,889 =====	£281,889 =====
<u>17. CONTINGENT LIABILITIES</u>		
a) The Company has given a composite guarantee on the bank overdrafts of the holding company and other fellow subsidiaries.		
b) The Company has given a composite guarantee in respect of stocking finance of the company and certain fellow subsidiaries.		

DAVENPORT VERNON WELWYN GARDEN CITY LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30TH SEPTEMBER 1992(Continued)18. CAPITAL COMMITMENTS

Contracts for capital expenditure not provided for in the Financial Statements at 30th September 1992 amounted to £Nil (1991 : £Nil)

19. ULTIMATE PARENT COMPANY

The only group of undertakings for which group accounts are drawn up is that of the ultimate parent company, Davenport Vernon PLC, a company registered in England and Wales. A copy of the group accounts of Davenport Vernon PLC may be obtained from the registered office of Davenport Vernon PLC, 557 London Road, High Wycombe, Buckinghamshire HP11 1EU.

20. PENSION COMMITMENTS

The Company is a member of The Davenport Vernon Pension Scheme which is a defined contribution scheme. The present scheme succeeded the old group defined benefit scheme on 1st April 1991. Details of this change are contained in the notes to the Financial Statements of Davenport Vernon PLC. The assets of the scheme are held separately from those of Group companies and are invested in Managed Pension Funds.

The pension cost charge represents contributions payable by the Company to the scheme and is shown in Note 5 to the Financial Statements. Contributions totalling £779 (1991: £533) were payable to the scheme at the year end and are included in creditors.