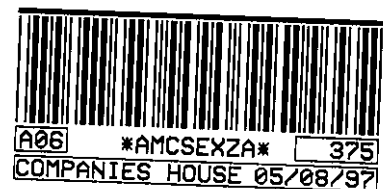


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**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997
FOR
STEVE REDFEARN MOTOR COMPANY LIMITED**



STEVE REDFEARN MOTOR COMPANY LIMITED

**INDEX TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1997**

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STEVE REDFEARN MOTOR COMPANY LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 1997

DIRECTOR: S Redfearn

SECRETARY: Mrs C Jones

REGISTERED OFFICE: 169 Gladstone Road
Wimbledon
London
SW19 1QS

REGISTERED NUMBER: 1579555

AUDITORS: Body Dubois Limited
Chartered Accountants
Registered Auditor
The Bellbourne
103 High Street
Esher
Surrey KT10 9QE

STEVE REDFEARN MOTOR COMPANY LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 March 1997

The director presents his report with the financial statements of the company for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of repairers, buyers and sellers of quality motor vehicles.

DIRECTOR

S Redfearn was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.3.97	1.4.96
Ordinary £1 shares	100	100

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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.

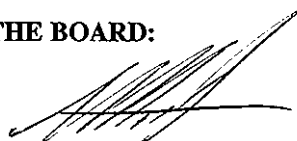
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets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

AUDITORS

The auditors, Body Dubois Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



S Redfearn - DIRECTOR

Dated: 24 July 1997

STEVE REDFEARN MOTOR COMPANY LIMITED
REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
STEVE REDFEARN MOTOR COMPANY LIMITED

We have audited the financial statements on pages four to eight which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is 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 judgments made by the director 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 as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PP Betty Dubois Limited
Chartered Accountants
Registered Auditor
The Bellbourne
103 High Street
Esher
Surrey KT10 9QE

Dated: 24 July 1997

STEVE REDFEARN MOTOR COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 1997**

		31.3.97	31.3.96
	Notes	£	£
TURNOVER	2	371,304	377,704
Cost of sales		185,474	177,006
GROSS PROFIT		185,830	200,698
Administrative expenses		168,299	168,449
OPERATING PROFIT	3	17,531	32,249
Interest receivable and similar income	4	43	46
		17,574	32,295
Interest payable and similar charges		2,268	2,032
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,306	30,263
Tax on profit on ordinary activities	5	3,375	1,828
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		11,931	28,435
Dividends	6	10,000	8,000
		1,931	20,435
Retained profit brought forward		31,820	11,385
RETAINED PROFIT CARRIED FORWARD		£33,751	£31,820

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

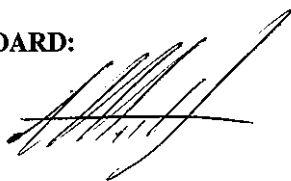
STEVE REDFEARN MOTOR COMPANY LIMITED

BALANCE SHEET
31 March 1997

		31.3.97		31.3.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		19,165		21,911
CURRENT ASSETS:					
Stocks	8	42,592		39,831	
Debtors	9	13,017		16,072	
Cash at bank and in hand		29,967		31,023	
		<u>85,576</u>		<u>86,926</u>	
CREDITORS: Amounts falling due within one year	10	<u>66,490</u>		<u>70,867</u>	
NET CURRENT ASSETS:			<u>19,086</u>		<u>16,059</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			38,251		37,970
CREDITORS: Amounts falling due after more than one year	11		4,400		6,050
			<u>£33,851</u>		<u>£31,920</u>
CAPITAL AND RESERVES:					
Called up share capital	12		100		100
Profit and loss account			33,751		31,820
Shareholders' funds	13		<u>£33,851</u>		<u>£31,920</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



S Redfearn - DIRECTOR

Approved by the Board on 24 July 1997

The notes form part of these financial statements

STEVE REDFEARN MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 10% on cost
Workshop plant	- 15% on reducing balance
Fixtures & equipment	- 15% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.97	31.3.96
	£	£
Hire of plant and machinery	440	440
Depreciation - owned assets	3,382	3,867
Loss on disposal of fixed assets	-	74
Auditors' remuneration	2,600	2,600
	<u> </u>	<u> </u>
Director's emoluments and other benefits etc	27,000	29,250
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.97	31.3.96
	£	£
Deposit account interest	43	46
	<u> </u>	<u> </u>

STEVE REDFEARN MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1997

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.97	31.3.96
	£	£
UK Corporation Tax	3,375	1,828
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 24.50% (1996 - 25%).

6. DIVIDENDS

	31.3.97	31.3.96
	£	£
Equity shares:		
Final - share type 1	10,000	8,000
	<u> </u>	<u> </u>

7. TANGIBLE FIXED ASSETS

	Leasehold property	Workshop plant	Fixtures & equipm- ent	Totals
	£	£	£	£
COST:				
At 1 April 1996	6,705	38,413	6,867	51,985
Additions	-	636	-	636
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	6,705	39,049	6,867	52,621
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:				
At 1 April 1996	6,705	20,414	2,955	30,074
Charge for year	-	2,795	587	3,382
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	6,705	23,209	3,542	33,456
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:				
At 31 March 1997	-	15,840	3,325	19,165
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1996	-	17,999	3,912	21,911
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. STOCKS

	31.3.97	31.3.96
	£	£
Valuation	42,592	39,831
	<u> </u>	<u> </u>

STEVE REDFEARN MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1997

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.97	31.3.96
	£	£
Trade debtors	12,219	9,622
Prepayments	200	4,475
ACT recoverable	598	1,975
	<u>13,017</u>	<u>16,072</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.97	31.3.96
	£	£
Trade creditors	25,753	40,503
Directors current accounts	21,437	14,244
Hire purchase	1,650	1,650
V.A.T.	3,971	4,676
PAYE control	5,987	2,841
Taxation	567	1,828
Accrued expenses	7,125	5,125
	<u>66,490</u>	<u>70,867</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.3.97	31.3.96
	£	£
Hire purchase	4,400	6,050
	<u>4,400</u>	<u>6,050</u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.97	31.3.96
			£	£
100	Ordinary	£1	100	100
			<u>100</u>	<u>100</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.97	31.3.96
	£	£
Profit for the financial year	11,931	28,435
Dividends	(10,000)	(8,000)
	<u>1,931</u>	<u>20,435</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	1,931	20,435
Opening shareholders' funds	31,920	11,485
	<u>33,851</u>	<u>31,920</u>
CLOSING SHAREHOLDERS' FUNDS	33,851	31,920
	<u>33,851</u>	<u>31,920</u>
Equity interests	33,851	31,920
	<u>33,851</u>	<u>31,920</u>