

**TK MOTORS LIMITED**

**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENT**

**31 DECEMBER 1998**

**COMPANY REG NO 2568260 ENGLAND**



TK MOTORS LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and financial statement for the year ended 31 December 1998.

Activities

The Company has not traded during the year.


Directors

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

MR A B ARCHER	Resigned 07/05/98
MR C D E CAMERON	Resigned 31/12/98
EVANS HALSHAW MOTORS LIMITED	Appointed 07/05/98

No director had any beneficial interest in the shares of the Company at any time during the year.

By Order of the Board

  
H C Sykes  
Secretary

20 September, 1999

TK MOTORS LIMITED  
BALANCE SHEET

As at 31 December 1998

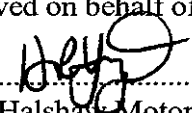
	1998 £	1997 £
FIXED ASSET - loans to parent and fellow subsidiary undertakings	2,400,549	2,400,549

CAPITAL AND RESERVES

Share Capital (See note 2)	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>		
Ordinary shares of 10p each	500,000	500,000	50,000	50,000
16.5% cumulative redeemable preference shares of 10p each	150,000	150,000	15,000	15,000
16.5% cumulative preference shares of 10p each	150,000	150,000	15,000	15,000
<u>Other Reserves</u>				
Share premium account			855,000	855,000
Capital Redemption Reserve			15,000	15,000
Profit and loss account			1,450,549	1,450,549
			----- 2,400,549	----- 2,400,549
<u>Analysis of Shareholders' funds</u>				
Equity interests			2,370,549	2,370,549
Non-Equity interests			30,000	30,000
			----- 2,400,549	----- 2,400,549

The company has been dormant (within the meaning of section 250 of the Companies Act 1985) throughout the year ended 31 December 1998.

Approved on behalf of the Board

  
 .....  
 Evans Halshaw Motors Limited  
 Director

20 September, 1999

Notes

(forming part of the financial statement)

1. The financial statement has been prepared under the historical cost convention and in accordance with section 228 of, and Schedule 4 to, the Companies Act 1985.
2. The holders of preference shares are entitled to repayment of capital and any arrears of dividend in priority to ordinary share holders in the event of the company being wound up, otherwise, they are not entitled to any further participation in the profits on assets of the company. All rights to dividends have been waived.

The holders of preference shares are not entitled to vote on any resolution proposed at any meeting of the company except where a resolution directly affects any of the special rights attached to this class of share.

3. The ultimate holding company is Pendragon Plc, a company incorporated in Great Britain and registered in England. Copies of that company's financial statements can be obtained from Neway House, Station Road, Mickleover, Derby DE3 5TZ.