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DALROAD DISTRIBUTION LIMITED

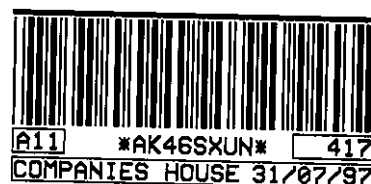
FINANCIAL STATEMENTS

31 MARCH 1997

Registered number: 02860933

MILLER & CO

CHARTERED ACCOUNTANTS



DALROAD DISTRIBUTION LIMITED

FINANCIAL STATEMENTS

for the period ended 31 March 1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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DALROAD DISTRIBUTION LIMITED

COMPANY INFORMATION

31 March 1997

INCORPORATED	In England on 11 October 1993
NUMBER	02860933
DIRECTORS	P E Wakelin I D Wakelin J D Thompson I J Kettle
SECRETARY	J D Thompson
REGISTERED OFFICE	86 Princess Street Luton Beds
BANKERS	Barclays Bank Plc George Street Luton Beds
AUDITORS	Miller & Co Chartered Accountants 86 Princess Street Luton

DALROAD DISTRIBUTION LIMITED

DIRECTORS' REPORT

31 March 1997

The directors present their report and the audited financial statements for the period ended 31 March 1997.

Principal activity

The principal activity of the company is the supply of auto electric parts to the automotive industry.

Change of accounting date

The company's accounting date was changed from 15 April to 31 March during the year and all future accounts will be made up to that date.

Directors

The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1997 Ordinary shares	16 April 1996 Ordinary shares
P E Wakelin	1,875	1,875
I D Wakelin	1,875	1,875
J D Thompson	500	500
I J Kettle	500	500

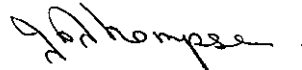
Auditors

Miller & Co have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

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

On behalf of the board



J D Thompson
Secretary

7 July 1997

86 Princess Street
Luton
Beds

DALROAD DISTRIBUTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial period 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



P E Wakelin
Director

7 July 1997

DALROAD DISTRIBUTION LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Dalroad Distribution Limited

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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 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 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 error or other irregularity. 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 period then ended and have been properly prepared in accordance with the Companies Act 1985.



Miller & Co
Registered Auditors
Chartered Accountants

8 July 1997

DALROAD DISTRIBUTION LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 March 1997

	Note	1997 £	1996 £
Turnover	2	1,524,695	1,268,013
Cost of sales		(988,347)	(858,385)
Gross profit		536,348	409,628
Net operating expenses			
Administrative expenses		(282,086)	(234,315)
Other operating income		9,396	-
Operating profit	3	263,658	175,313
Interest payable	5	(17)	(363)
Profit on ordinary activities before taxation		263,641	174,950
Taxation		(76,070)	(46,175)
Profit on ordinary activities after taxation		187,571	128,775
retained for the period	12		

Movements in reserves are shown in note 12.

None of the company's activities were acquired or discontinued during the above two financial periods.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the period.

DALROAD DISTRIBUTION LIMITED


BALANCE SHEET

at 31 March 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	6	40,391	16,780
Current assets			
Stocks	7	232,469	360,584
Debtors	8	267,396	272,965
Cash at bank and in hand		237,659	220,248
		<u>737,524</u>	<u>853,797</u>
Creditors: amounts falling due within one year	9	(254,613)	(534,846)
Net current assets		<u>482,911</u>	<u>318,951</u>
Total assets less current liabilities		<u>523,302</u>	<u>335,731</u>
Capital and reserves			
Called up share capital	11	5,000	5,000
Profit and loss account	12	518,302	330,731
Total shareholders' funds	10	<u>523,302</u>	<u>335,731</u>

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

The financial statements on pages 5 to 11 were approved by the board of directors on 7 JULY 1997 and signed on its behalf by:


P E Wakelin
Director

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	20% Straight line
Plant and machinery	20% Straight line
Motor vehicles	25% Reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	9,396	-
Bad debts recovered	223	-
	<u> </u>	<u> </u>
and after charging		
Auditors' remuneration	3,050	3,995
Operating leases		
Rent	1,255	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 6)		
owned assets	7,865	4,968
	<u> </u>	<u> </u>

4 Directors

	1997 £	1996 £
Directors' emoluments	10,993	-
	<u> </u>	<u> </u>

Pension costs

Defined contribution scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £152 (1996 £0). Contributions totalling £0 (1996 £0) were payable to the fund at 31 March 1997 and are included in creditors.

5 Interest payable

	1997 £	1996 £
Bank interest	17	363
	<u> </u>	<u> </u>

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

6 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
16 April 1996	12,729	12,902	-	25,631
Additions	-	24,146	7,330	31,476
31 March 1997	12,729	37,048	7,330	57,107
Depreciation				
16 April 1996	5,569	3,282	-	8,851
Charge for period	1,790	4,609	1,466	7,865
31 March 1997	7,359	7,891	1,466	16,716
Net book amount				
31 March 1997	5,370	29,157	5,864	40,391
16 April 1996	7,160	9,620	-	16,780

7 Stocks

	1997 £	1996 £
Stocks	232,469	360,584

8 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	258,529	238,285
Other debtors	8,867	34,680
	267,396	272,965

9 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	156,274	448,351
Corporation tax	76,089	46,175
Other taxation and social security	8,251	2,975
Other creditors	13,999	37,345
	254,613	534,846

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

10 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial period representing a Net addition to shareholders' funds	187,571	128,775
Opening shareholders' funds	335,731	206,956
Closing shareholders' funds	523,302	335,731

11 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	25,000	25,000	25,000	25,000
Allotted called up and fully paid				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

12 Profit and loss account

	1997 £
16 April 1996	330,731
Retained profit for the period	187,571
31 March 1997	518,302

13 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31st March 1998

	1997 Land and Buildings £	1996 Land and Buildings £
Expiring		
Within two to five years	36,732	-
	36,732	-

DALROAD DISTRIBUTION LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1997

14 Directors' interests and loans

During the period the company paid management charges of £50,004 (1996 £72,000) for the use of premises and services, to Dalroad Limited, a company in which P E & I D Wakelin are materially interested as directors and shareholders.