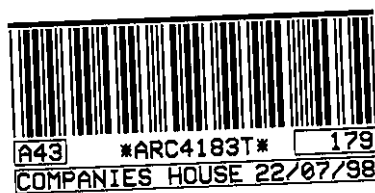


Company Number 2954341

Grendon Garage (Car Sales) Limited
Directors' Report and
Financial Statements
for the year ended 30 September 1997



Grendon Garage (Car Sales) Limited

Company Information

Directors	G.C. Cox Mrs J.R. Cox
Secretary	Mrs J.R. Cox
Company Number	2954341 (England and Wales)
Registered Office	Sterling House 19/23 High Street Kidlington Oxon OX5 2DH
Auditors	Haines Watts Sterling House 19/23 High Street Kidlington Oxon OX5 2DH
Business Address	Grendon Underwood Aylesbury Bucks
Bankers	National Westminster Bank plc 12 High Street Windsor Berkshire SL4 1LQ

Grendon Garage (Car Sales) Limited

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Grendon Garage (Car Sales) Limited

Directors' Report for the year ended 30 September 1997

The directors present their report and the financial statements for the year ended 30 September 1997.

Principal Activities

The company's principal activity continues to be as a retailer of new and used vehicles.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1997	1996
G.C. Cox	Ordinary shares	1	1
Mrs J.R. Cox	Ordinary shares	1	1

G C Cox has an interest in 413 Ordinary Shares and Mrs J R Cox has an interest in 337 Ordinary Shares of Grendon Garage Limited.

G C Cox and Mrs J R Cox hold 1 Ordinary Share each in Brenid Limited.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Haines Watts be reappointed as auditors of the company will be put to the Annual General Meeting.

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 judgements 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.

This report was approved by the board on 16/7/98, and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors,

.....
G.C. Cox
Director

Grendon Garage (Car Sales) Limited

Auditors' Report

to the shareholders of Grendon Garage (Car Sales) Limited

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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

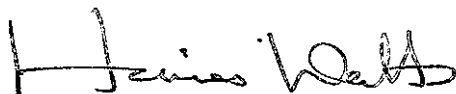
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.



.....

Date:.....17/1/98.....

Haines Watts
Chartered Accountants
Registered Auditor
Sterling House
19/23 High Street
Kidlington
Oxon OX5 2DH

Grendon Garage (Car Sales) Limited

Profit and Loss Account

for the year ended 30 September 1997

	Notes		1996
Turnover		648,423	537,477
Cost of sales		(614,925)	(510,020)
Gross profit		<u>33,498</u>	<u>27,457</u>
Administrative expenses		(17,833)	(17,354)
Operating profit	2	<u>15,665</u>	<u>10,103</u>
Interest payable and similar charges	3	(251)	(118)
Profit on ordinary activities before taxation		<u>15,414</u>	<u>9,985</u>
Tax on profit on ordinary activities	4	(1,500)	-
Retained profit for the year	11	<u>£ 13,914</u>	<u>£ 9,985</u>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

The profit on ordinary activities before taxation and the retained profit have been calculated on the historical cost basis.

Grendon Garage (Car Sales) Limited

Balance Sheet at 30 September 1997

	Notes	1996	
Fixed Assets			
Tangible assets	5	17,321	13,849
Investments	6	225,000	225,000
		<u>242,321</u>	<u>238,849</u>
Current Assets			
Stocks		145,949	129,613
Debtors	7	1,761	914
Cash at bank and in hand		-	21,614
		<u>147,710</u>	<u>152,141</u>
Creditors: amounts falling due within one year	8	<u>(386,144)</u>	<u>(401,017)</u>
Net Current (Liabilities)		<u>(238,434)</u>	<u>(248,876)</u>
Net (Liabilities)		<u>£ 3,887</u>	<u>£ (10,027)</u>
Capital and Reserves			
Called up share capital	10	2	2
Profit and loss account	11	3,885	(10,029)
Shareholders' Funds (equity interests)	12	<u>£ 3,887</u>	<u>£ (10,027)</u>

Approved by the board of directors on 16/7/98 and signed on its behalf.
 The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

.....
 G.C. Cox
 Director

Grendon Garage (Car Sales) Limited
Notes to the Financial Statements
for the year ended 30 September 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	15% Reducing balance
Motor vehicles	-	25% Reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Grendon Garage (Car Sales) Limited
Notes to the Financial Statements
for the year ended 30 September 1997

2. Operating Profit			1996
	£		£
Operating profit is stated after charging:			
Depreciation of tangible assets	5,528		4,325
Auditors' fees	1,500		1,200
Pension costs	227		-
	<u> </u>		<u> </u>
3. Interest Payable			1996
On bank loans and overdraft	£ 251		£ 118
	<u> </u>		<u> </u>
4. Taxation			1996
U.K. Current year taxation			
U.K. Corporation tax at 21/24%	£ 1,500		£ -
	<u> </u>		<u> </u>
5. Tangible Assets			
	Fixtures fittings & equipment	Motor vehicles	Total
Cost			
At 1 October 1996	2,528	21,000	23,528
Additions	-	21,000	21,000
Disposals	-	(21,000)	(21,000)
	<u> </u>	<u> </u>	<u> </u>
at 30 September 1997	2,528	21,000	23,528
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 October 1996	679	9,000	9,679
On disposals	-	(9,000)	(9,000)
Charge for year	278	5,250	5,528
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1997	957	5,250	6,207
	<u> </u>	<u> </u>	<u> </u>
Net book values			
At 30 September 1997	£ 1,571	£ 15,750	£ 17,321
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1996	£ 1,849	£ 12,000	£ 13,849
	<u> </u>	<u> </u>	<u> </u>

Grendon Garage (Car Sales) Limited
Notes to the Financial Statements
for the year ended 30 September 1997

6. Fixed Asset Investments

Shares in group undertakings and participating interests

Cost

At 1 October 1996 & at 30 September 1997	225,000
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Net Book Values

At 30 September 1997	£ 225,000
----------------------	-----------

At 30 September 1996	£ 225,000
----------------------	-----------

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
Grendon Garage Limited	England and Wales	Ordinary	25
Icham Limited	England and Wales	Ordinary	100
Brenid Limited	England and Wales	Ordinary	98

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Grendon Garage Limited	£ 288,376	£ (68,460)
Icham Limited	£ 240,239	£ 50,649
Brenid Limited	£ 100	£ 50

7. Debtors

		1996
Trade debtors	1,761	302
Others	-	612
	£ 1,761	£ 914

Grendon Garage (Car Sales) Limited
Notes to the Financial Statements
for the year ended 30 September 1997

8. Creditors: amounts falling due within one year

		1996
Bank loans and overdrafts	1,811	-
Trade creditors	956	1,494
Amounts owed to group undertakings and undertakings in which the company has a participating interest	365,771	385,189
Corporation tax	1,500	-
Other taxes and social security	1,512	-
Directors' loan account	998	998
Other creditors	13,596	13,336
	<u>£ 386,144</u>	<u>£ 401,017</u>

9. Pension Costs

The company makes contributions to the MAA pension scheme for an employee. The contribution for the year amounted to £ 227 (1996 - Nil).

10. Share Capital

Authorised

100 Ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>

Allotted, called up and fully paid

2 Ordinary shares of £1 each	£ 2	£ 2
	<u> </u>	<u> </u>

11. Profit And Loss Account

		1996
Accumulated losses at 1 October 1996	(10,029)	(20,014)
Retained profit for the year	13,914	9,985
Retained profits at 30 September 1997	<u>£ 3,885</u>	<u>£ (10,029)</u>

Grendon Garage (Car Sales) Limited
Notes to the Financial Statements
for the year ended 30 September 1997

12. Reconciliation of Movements in Shareholders' Funds		1996
Profit for the financial year	13,914	9,985
Opening shareholders' funds	(10,027)	(20,012)
	<hr/>	<hr/>
Closing shareholders' funds	£ 3,887	£ (10,027)
	<hr/>	<hr/>

13. Contingent Liabilities

The company has entered into an unlimited guarantee in connection with the bank overdrafts of its associated companies. At 30 September 1997 the amount of these overdrafts was £68,913 (1996 : £42,427).

14. Transactions With Directors and Related Parties

For the whole year, the company was under the control of G C Cox, the managing director of the company.

The directors have an interest in Icham Limited and Grendon Garage Limited. At the year end the company owed £4,512 to Icham Limited (1996 : £4,512) and £361,259 to Grendon Garage Limited (1996 : £380,676)