

WIGGINS BAR END LIMITED

DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31ST MARCH, 1986



WIGGINS BAR END LIMITED

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PEAT, MARWICK, MITCHELL & CO.
Dukes Keep, Marsh Lane, Southampton, SO1 1EX

WIGGINS BAR END LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts for the period 2nd December, 1985 to 31st March, 1986.

INCORPORATION

The company was incorporated on 2nd December, 1985 as Holdhart Limited. On 13th January, 1986 the company changed its name to Wiggins Bar End Limited and commenced trading on 1st February, 1986.

RESULTS AND DIVIDEND

The loss for the period from ordinary activities after taxation amounted to £15,221. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY, TRADING REVIEW AND FUTURE DEVELOPMENTS

This dealership is involved in the distribution of motor vehicles, parts and servicing.

As with any new franchise, it is taking some time to establish. However, the directors believe that the BMW franchise in Winchester represents a good investment for the future.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:-

S. P. Hayklan	(appointed 16th December, 1985)
D. J. Henley	(appointed 16th December, 1985)
E. R. Oakley	(appointed 16th December, 1985)

In accordance with the Articles of Association, Mr. S. P. Hayklan, Mr. D.J. Henley and Mr. E. R. Oakley retire and, being eligible, will be offering themselves for re-election at the forthcoming annual general meeting.

Mr. S. P. Hayklan and Mr. D. J. Henley are also directors of the ultimate holding company. Their and their family's interests in the shares of that company are disclosed in the report of its directors.

No director has a beneficial interest in the shares of this company.

AUDITORS

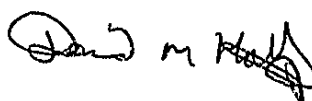
In accordance with Section 384(2) of the Companies Act 1985, Peat, Marwick, Mitchell & Co. were appointed as first auditors of the company by the directors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

WIGGINS BAR END LIMITED

DIRECTORS' REPORT

In accordance with Section 388(1) of the Companies Act 1985, special notice will be given of a resolution for the re-appointment of Peat, Marwick, Mitchell & Co. as auditors of the company, which is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to be 'D. M. Hall', written over the printed name of the Secretary.

Secretary

29th June, 1986

WIGGINS BAR END LIMITED

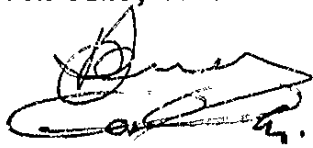
PROFIT AND LOSS ACCOUNT
FOR THE TWO MONTHS ENDED 31ST MARCH, 1986

	<u>Note</u>	<u>1986</u>
		£
TURNOVER	2	103,610
Cost of Sales		(104,131)
		<u>(521)</u>
GROSS LOSS		
Administrative expenses		(13,846)
Other interest receivable and other income		3,744
Interest payable and similar charges	4	(4,598)
		<u>(15,221)</u>
Loss on ordinary activities before and after taxation	5	(15,221)
Retained loss carried forward		<u>£(15,221)</u>

WIGGINS BAR END LIMITEDBALANCE SHEET AT 31ST MARCH, 1986

	<u>Note</u>	<u>1986</u>
		£
FIXED ASSETS		
Tangible assets	6	40,339
CURRENT ASSETS		
Stock	7	141,229
Debtors	8	54,354
Cash at bank and in hand		74
		<u>195,657</u>
CREDITORS: Amounts falling due within one year	9	(250,590)
NET CURRENT LIABILITIES		<u>(54,933)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(14,594)
CREDITORS: Amounts falling due after more than one year	10	(625)
NET LIABILITIES		<u>£(15,219)</u>
CAPITAL AND RESERVES		
Called up share capital	11	2
Profit and loss account		(15,221)

The accounts were approved
by the Board of Directors on
29th June, 1986



) Directors
)
)

£(15,219)

The notes on pages 7 to 11 form
part of these accounts.

WIGGINS BAR END LIMITEDSOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED 31ST MARCH, 1986

	<u>1986</u>	
	£	£
SOURCE OF FUNDS		
Loss on ordinary activities before taxation	(15,221)	
Adjustments for items not involving the movement of funds:		
Depreciation and amortisation	803	
	<hr/>	
Funds absorbed by operations		(14,418)
FUNDS FROM OTHER SOURCES		
Proceeds of sale of tangible fixed assets	443	
Increase in creditors: Amounts falling due after more than one year	625	
Issue of share capital	2	
	<hr/>	
		1,070
		<hr/>
		(13,348)
APPLICATION OF FUNDS		
Purchase of fixed assets		(41,585)
		<hr/>
DECREASE IN WORKING CAPITAL		£(54,933)
		<hr/>
COMPONENTS OF DECREASE IN WORKING CAPITAL		
Stocks	141,229	
Debtors	54,354	
Creditors falling due within the year	(245,444)	
Movement in net liquid funds:		
Increase in cash at bank and in hand	74	
Increase in overdraft	(5,146)	
	<hr/>	
		£(54,933)
		<hr/>

WIGGINS BAR END LIMITED

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of accounting

The accounts have been prepared under the historical cost convention on a going-concern basis. Wiggins Group plc has confirmed that financial assistance will be provided in order to enable the company to continue to trade.

b) Depreciation and amortisation

Short leasehold properties are amortised over the remaining term of the lease.

Other fixed assets are depreciated at rates between 20% and 25% per annum on the reducing balance basis over their expected useful lives.

c) Stocks and work in progress

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

d) Comparative figures

The company was incorporated on 2nd December, 1985 and commenced trading on 1st February 1986 and so there are no comparative figures.

2. TURNOVER

Turnover represents the amounts invoiced by the company in respect of goods sold during the period, excluding value added tax and trade discounts.

Turnover is derived wholly within the United Kingdom from motor vehicle sales and servicing.

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the period was as follows:

	<u>1986</u>
Sales	2
Parts and service	7
Administration	1
	<u>10</u>

WIGGINS BAR END LIMITEDNOTES TO THE ACCOUNTS
(Continued)3. STAFF NUMBERS AND COSTS (Cont'd.)

The aggregate payroll costs of these persons were as follows:

	<u>1986</u>
	£
Wages and salaries	15,472
Social Security costs	1,185
Other pension costs	-
	<u>£16,657</u>

4. INTEREST PAYABLE

	<u>1986</u>
	£
On bank loans, overdrafts and other loans repayable within five years	560
On other loans	4,038
	<u>£ 4,598</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:

	<u>1986</u>
Depreciation and other amounts written off tangible fixed assets	£ 803

Auditors' remuneration is settled by another group company and collected from Wiggins Garages Limited through group charges.

WIGGINS BAR END LIMITEDNOTES TO THE ACCOUNTS
(Continued)6. TANGIBLE FIXED ASSETS

	<u>Short Leasehold</u>	<u>Plant & Equipment</u>	<u>FF & Office Equipment</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st April, 1986	-	-	-	-
Transfers from Group companies	3,323	8,885	3,449	15,657
Additions	3,380	11,307	11,241	25,928
Disposals	-	-	(443)	(443)
At 31st March, 1986	<u>£ 6,703</u>	<u>£20,192</u>	<u>£14,247</u>	<u>£41,142</u>
Depreciation:				
Charge for the period	33	296	474	803
At 31st March, 1986	<u>33</u>	<u>296</u>	<u>474</u>	<u>803</u>
Net Book Value				
At 31st March, 1986	<u>£ 6,670</u>	<u>£19,896</u>	<u>£13,773</u>	<u>£40,339</u>

7. STOCKS AND WORK IN PROGRESS

	<u>1986</u>
	£
Raw materials and consumables	150
Finished goods and goods for resale	141,079
	<u>£141,229</u>

8. DEBTORS

	<u>1986</u>
	£
Trade debtors	17,759
Amounts owed by group companies	7,595
Other debtors	21,683
Prepayments and accrued income	7,317
	<u>£ 54,354</u>

WIGGINS BAR END LIMITED

NOTES TO THE ACCOUNTS
(Continued)

9. CREDITORS: Amounts falling due within one year

	<u>1986</u>
	£
Bank loans and overdrafts	5,146
Trade creditors	17,669
Amounts due to group companies	111,082
Taxation	2,793
Other creditors	76,365
Accruals and deferred income	37,535
	<u>£250,590</u>

10. CREDITORS: Amounts falling due after more than one year

Other creditors	£ 625
	<u> </u>

11. SHARE CAPITAL

	<u>Number</u>	<u>1986</u>
Authorised ordinary shares of £1 each	<u>100</u>	<u>£100</u>
Share capital allotted, called up and fully paid	<u>2</u>	<u>£ 2</u>

12. CONTINGENCIES

The company is jointly and severally liable with other members of the group under a guarantee given to Barclays Bank plc in respect of any overdrawn amounts on the group's bank account and in respect of other loans and guarantees given by that bank to or on behalf of other group companies. At 31st March, 1986 the group overdraft was £1,520,000 (1985 - £2,120,000) and other loans amounted to £1,500,000, (1985 - £3,008,000).

WIGGINS BAR END LIMITED

NOTES TO THE ACCOUNTS
(Continued)

13. COMMITMENTS

There were no capital commitments either authorised or contracted at 31st March, 1986.

The future minimum lease payments to which the company was committed at

Year ending 31st March 1987	66,292
1st April 1987 to 31st March 1991	25,172
	<u>£91,464</u>

The company has annual commitments under a property lease which expires on or after 31st March, 1991 which at 31st March, 1986 totalled £10,500.

14. PENSION ARRANGEMENTS

The company participates in contributory pension schemes whose funds are administered by trustees and are independent of the company's finances. Contributions to the schemes are determined in accordance with the recommendations of independent actuaries. Having regard to the latest actuarial valuations at 31st March, 1985 the trustees of the Wiggins Group plc pension, life assurance and retirement scheme established a nil contribution for the employing companies in respect of the year ended 31st March, 1986.

15. ULTIMATE HOLDING COMPANY

The ultimate holding company is Wiggins Group plc, a company incorporated in England.