

Peat Marwick McLintock

WIGGINS BAR END LIMITED

DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 1988

WIGGINS BAR END LIMITEDDIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31st March, 1988.

RESULTS AND DIVIDEND

The profit for the year before taxation was £169,573 (1987: £60,224). The directors recommend the payment of a dividend of £106,000 (1987 : £N11).

PRINCIPAL ACTIVITY, TRADING REVIEW AND FUTURE DEVELOPMENTS

This dealership is involved in the distribution of BMW motor vehicles, parts and vehicle servicing. It has shown strong growth during the year and the directors expect this trend to continue.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:-

M. Hobson	(Appointed 24th July, 1987)
D. J. Henley	
E. R. Oakley	
S.P. Hayklan	(Resigned 20th November, 1987)

In accordance with the Articles of Association, Mr. E.R. Oakley retires by rotation and M. Hobson retires having been appointed during the year. Being eligible they 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.

Other directors' and their families interests in the shares of the ultimate holding company are:-

	31st March, 1988	31st March, 1987
Ordinary shares of 10p each		
E.R. Oakley	1,000	500
Option over ordinary shares of 10p each under the Wiggin Group Executive Share Option Scheme:-		
E.R. Oakley	50,000	50,000
M. Hobson	10,000	10,000

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

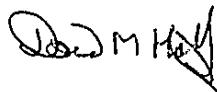
WIGGINS BAR END LIMITED

DIRECTORS' REPORT

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'D. M. H.', with a stylized flourish at the end.

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
WIGGINS BAR END LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March, 1988 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Per [signature] on behalf of [signature]

Southampton

Chartered Accountants

29th June 1988

WIGGINS BAR END LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1988

	<u>Note</u>	<u>1988</u>	<u>1987</u>
		£	£
TURNOVER	2	2,801,670	2,077,668
Cost of Sales		(2,425,923)	(1,898,102)
GROSS PROFIT		<u>375,747</u>	<u>179,566</u>
Administrative expenses		(171,965)	(102,647)
Other interest receivable and similar income		-	22,384
Interest payable and similar charges	4	(34,209)	(39,079)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>169,573</u>	<u>60,224</u>
Tax on profit on ordinary activities	6	(54,932)	(20,825)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>114,641</u>	<u>39,399</u>
Dividend		(106,000)	-
RETAINED PROFIT FOR THE YEAR		<u>8,641</u>	<u>39,399</u>
Retained profit/(loss) brought forward		24,178	(15,221)
RETAINED PROFIT CARRIED FORWARD		<u>£ 32,819</u>	<u>£ 24,178</u>

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

WIGGINS BAR END LIMITED

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH, 1988

	£	<u>1988</u>	£	£	<u>1987</u>	£
SOURCE OF FUNDS						
Profit on ordinary activities before taxation		169,573			60,224	
Adjustments for items not involving the movement of funds:						
Depreciation		11,764			8,340	
		<u>181,337</u>			<u>68,564</u>	
Funds generated by operations						
FUNDS FROM OTHER SOURCES						
Bank loans		-			13,856	
		<u>181,337</u>			<u>82,420</u>	
APPLICATION OF FUNDS						
Repayment of loan	5,492			-		
Purchase of fixed assets	21,711			(26,015)		
		<u>(27,203)</u>			<u>(26,015)</u>	
INCREASE IN WORKING CAPITAL		<u>£154,134</u>			<u>£56,405</u>	
COMPONENTS OF INCREASE IN WORKING CAPITAL						
Stocks	153,087			4,562		
Debtors	10,355			33,556		
Creditors falling due within the year	(27,779)			(84,207)		
Movement in net liquid funds:						
Increase in cash at bank and in hand	18,471			97,348		
Decrease in overdraft	-			5,146		
		<u>£154,134</u>			<u>£56,405</u>	

NOTES TO THE ACCOUNTS1. PRINCIPAL ACCOUNTING POLICIESa) Basis of accounting

The accounts have been prepared under the historical cost convention.

b) Amortisation and depreciation

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

Other fixed assets are depreciated at a rate of 20% 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) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

e) Leased assets

Assets held under finance leases are not capitalised. Amounts payable under such leases are charged to the profit and loss account as incurred.

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>1988</u>	<u>1987</u>
Sales	2	3
Parts and service	11	8
Administration	5	1
	<u>18</u>	<u>12</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>1988</u> £	<u>1987</u> £
Wages and salaries	196,490	128,548
Social Security costs	19,967	15,079
	<u>£216,457</u>	<u>£143,627</u>

4. INTEREST PAYABLE

	<u>1988</u> £	<u>1987</u> £
On bank loans, overdrafts and other loans repayable within five years	<u>£34,209</u>	<u>£39,079</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1988</u>	<u>1987</u>
Depreciation and other amounts written off tangible fixed assets	<u>£11,764</u>	<u>£8,340</u>

Auditors' remuneration is settled by a related company.

WIGGINS BAR END LIMITED

NOTES TO THE ACCOUNTS
(Continued)

6. TAXATION

	<u>1988</u> £	<u>1987</u> £
Deferred taxation	(1,321)	7,525
Group relief payable at 35% (1987 - 35%)	60,090	13,300
Adjustment to prior years' group relief	(3,837)	-
	<u>£54,932</u>	<u>£20,825</u>

7. TANGIBLE FIXED ASSETS

	<u>Short Leasehold</u>	<u>Plant & Equipment</u>	<u>Fixtures, Fittings and Office Equipment</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st April, 1987	30,121	32,037	20,483	82,641
Additions	11,025	6,963	3,723	21,711
At 31st March, 1988	<u>£41,146</u>	<u>£39,000</u>	<u>£24,206</u>	<u>£104,352</u>
Depreciation:				
At 1st April, 1987	1,454	16,223	6,950	24,627
Charge for the period	4,908	3,752	3,104	11,764
At 31st March, 1988	<u>£6,362</u>	<u>£19,975</u>	<u>£10,054</u>	<u>£36,391</u>
Net Book Value:				
At 31st March, 1988	<u>£34,784</u>	<u>£19,025</u>	<u>£14,152</u>	<u>£67,961</u>
At 31st March, 1987	<u>£28,667</u>	<u>£15,814</u>	<u>£13,533</u>	<u>£58,014</u>

8. STOCK

	<u>1988</u>	<u>1987</u>
Vehicles and spares	<u>£298,878</u>	<u>£145,791</u>

WIGGINS BAR END LIMITEDNOTES TO THE ACCOUNTS
(Continued)9. DEBTORS

	<u>1988</u>	<u>1987</u>
	£	£
Trade debtors	77,883	67,225
Amounts owed by group companies	289	119
Other debtors	4,228	7,675
Prepayments and accrued income	12,028	12,891
	<u>£94,428</u>	<u>£87,910</u>

10. CREDITORS: Amounts falling due within one year

	<u>1988</u>	<u>1987</u>
	£	£
Trade creditors	191,939	79,313
Amounts owed to group companies	156,874	95,524
Other creditors including taxation and social security	119,869	116,787
Accruals and deferred income	54,972	45,835
Other loans	5,492	5,492
	<u>£529,146</u>	<u>£342,951</u>

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

	<u>1988</u>	<u>1987</u>
Other loans	<u>£8,989</u>	<u>£14,481</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u>
	£
At 1st April, 1987	7,525
Movement during the year	(1,321)
	<u>6,204</u>
At 31st March, 1988	<u>6,204</u>

The provision is the full potential liability to deferred taxation in respect of accelerated capital allowances.

NOTES TO THE ACCOUNTS
(Continued)

13. SHARE CAPITAL

	<u>1988</u>	<u>1987</u>
Authorised ordinary shares of £1 each	£100	£100
Share capital allotted, called up and fully paid	£ 2	£ 2

14. CONTINGENCIES

The company is jointly and severally liable with certain other members of the group, under a guarantee secured on the companies' assets given to Lloyds Bank plc in respect of any overdrawn balances. At 31st March, 1988 these balances totalled £437,244.

15. COMMITMENTS

Capital commitments at 31st March, 1988 for which no provision has been made in these accounts were as follows:-

Contracted	£Nil
Authorised but not contracted	£Nil

Future lease commitments at 31st March, 1988:

	<u>Finance leases</u> £
Total rentals due:	
Year to 31st March, 1989	9,440
Period 1st April, 1989 to 31st March, 1993	19,993
	<u>29,433</u>
Less: amount representing interest	(6,256)
	<u>23,177</u>

The company has annual commitments under a property lease which expires on or after 31st March, 1992 which at 31st March, 1988 totalled £17,250.

16. PENSION ARRANGEMENTS

The company participates in a contributory pension scheme whose funds are administered by trustees and which is 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 the trustees of the Wiggins Group plc Retirement, Life Assurance and Disability Plan established a nil contribution for the employing companies in respect of the year ended 31st March, 1988.

17. ULTIMATE HOLDING COMPANY

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