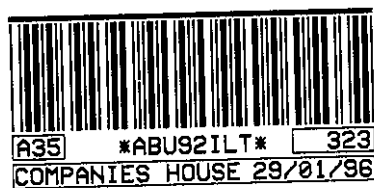


WARWICK CAR COMPANY LIMITED

COMPANY NUMBER 2352103

FINANCIAL STATEMENTS

31ST MAY 1995



MIKE GIBSON
Chartered Accountant
32 Parkfield Gardens
Harrow
Middlesex HA2 6JR

WARWICK CAR COMPANY LIMITED

COMPANY INFORMATION

REGISTERED NUMBER 2352103

DIRECTORS

R.K. THOMAS
M.J. MAY

SECRETARY AND REGISTERED OFFICE

R.K. THOMAS
4 Combers End
Tetbury
Gloucestershire GL8 8LQ

AUDITORS

MIKE GIBSON
Registered Auditor and Chartered Accountant
32 Parkfield Gardens
Harrow
Middlesex HA2 6JR

WARWICK CAR COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MAY 1995

The directors present their report and the financial statements for the year ended 31st May 1995.

Statement of 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 the 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 of taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity continues to be that of garage services, offering MOT and repair facilities, car hire and sales.

Directors

The directors who served during the year and their beneficial interest in the company's issued ordinary share capital were:

	<u>Number of fl ordinary shares</u>	
	<u>1995</u>	<u>1994</u>
	<u>No</u>	<u>No</u>
R.K. Thomas	50	50
M.J. May	50	50

Auditors

The auditor, Mike Gibson, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 30th December 1995 and signed on its behalf.

R.K. THOMAS



WARWICK CAR COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WARWICK CAR COMPANY LIMITED

I 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 pages 5 and 6.

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 my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

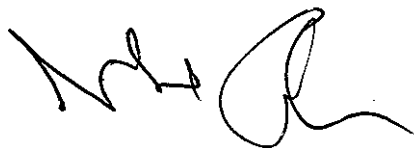
Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



MIKE GIBSON
Chartered Accountant
and Registered Auditor

32 Parkfield Gardens
Harrow
Middlesex
HA2 6JR

31st December 1995

WARWICK CAR COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1995

		<u>1995</u>	<u>1994</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<u>TURNOVER</u>	2	481684	263144
Cost of sales		<u>375291</u>	<u>169876</u>
<u>GROSS PROFIT</u>		106393	93268
Administrative expenses		<u>103658</u>	<u>82570</u>
<u>OPERATING PROFIT</u>	3	2735	10698
Profit on disposal of tangible fixed assets		<u>164</u>	<u>116</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		2899	10814
Rent receivable		-	3500
Interest receivable		89	20
Interest payable	4	<u>(6480)</u>	<u>(6057)</u>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(3492)	8277
Tax on (loss)/profit on ordinary activities	5	<u>(202)</u>	<u>255</u>
<u>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>		(3290)	8022
Deficit brought forward		<u>(9511)</u>	<u>(17533)</u>
<u>DEFICIT CARRIED FORWARD</u>		<u>£(12801)</u>	<u>£ (9511)</u>

There were no recognised gains and losses for 1995 and 1994 other than those included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

WARWICK CAR COMPANY LIMITED

BALANCE SHEET

AS AT 31ST MAY 1995

		<u>1995</u>	<u>1994</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>	6		
Tangible assets		11363	14494
Intangible assets		<u>12013</u>	<u>13838</u>
		23376	28332
<u>CURRENT ASSETS</u>			
Stock	7	9449	13753
Debtors	8	30781	17234
Cash at bank and in hand		<u>2708</u>	<u>8703</u>
		42938	39690
<u>CREDITORS: Amounts falling due within one year</u>	9	<u>48221</u>	<u>48912</u>
<u>NET CURRENT (LIABILITIES)</u>		<u>(5283)</u>	<u>(9222)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		18093	19110
<u>CREDITORS: Amounts falling due after more than one year</u>	10	<u>30794</u>	<u>28521</u>
<u>NET LIABILITIES</u>		<u>£(12701)</u>	<u>£(9411)</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	12	100	100
Profit and loss account		<u>(12801)</u>	<u>(9511)</u>
<u>SHAREHOLDERS FUNDS (EQUITY INTERESTS)</u>		<u>£(12701)</u>	<u>£(9411)</u>

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The financial statements were approved by the board on 30th December 1995 and signed on its behalf.

R.K. THOMAS
Director



The notes on pages 5 to 9 form part of these financial statements.

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MAY 1995

1. ACCOUNTING POLICIES

Basis of Preparation of Accounts

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.

Stock and Work in Progress

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stocks. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided, on all tangible assets on a straight line basis at rates calculated to write-off the cost of each asset over its expected useful life as follows:

Plant and equipment	:	15%
Fixtures and fittings	:	15%
Motor vehicles	:	25%

The acquisition cost of goodwill is amortised over the period of the lease on the leasehold premises (12 years).

Deferred Taxation

Provision for deferred taxation is only made where it is expected that such taxation is likely to become payable in the foreseeable future. The foreseeable future is taken to be 3 years.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

Turnover

Turnover comprises the invoiced value of services and vehicles sold by the company, net of Value Added Tax.

WARWICK CAR COMPANY

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MAY 1995

1. ACCOUNTING POLICIES contd.

Hire Purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets, and depreciated in accordance with the rates shown above. Obligations under such agreements are included in creditors net of the finance charge, which is charged to profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. TURNOVER

No exports were made during the year (1994 : Nil).

The company's turnover comprises general garage services and used vehicle sales as follows:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Vehicle sales	250286	52178
Garage services	<u>231398</u>	<u>210966</u>
	<u>£481684</u>	<u>£263144</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Directors' emoluments	31250	17412
Auditor's remuneration	1500	1700
Depreciation and amortisation of tangible fixed assets owned by the company	6137	6406
Hire of plant, machinery and office equipment	4750	3856
(Profit) on sale of motor vehicles	<u>(164)</u>	<u>(116)</u>

4. INTEREST PAYABLE

Included in interest payable is interest on hire purchase contracts of £1338 (1994 : £755).

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MAY 1995

5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
(Credit)/Charge for the year at 25%	<u>£ (202)</u>	<u>£ 255</u>

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £260 (1994 : £427) due to accelerated capital allowances.

6. FIXED ASSETS

	<u>Tangible Assets</u>			<u>Intangible</u>	
	<u>Plant and</u>	<u>Fixtures</u>	<u>Motor</u>	<u>Assets</u>	
	<u>Equipment</u>	<u>and Fittings</u>	<u>Vehicles</u>	<u>Goodwill</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>					
At 1st June 1994	6032	2931	17600	21897	48460
Additions	-	1582	4200	-	5782
Disposals	-	-	(5400)	-	(5400)
At 31st May 1995	<u>6032</u>	<u>4513</u>	<u>16400</u>	<u>21897</u>	<u>48842</u>
<u>Depreciation</u>					
At 1st June 1994	4285	1797	5987	8059	20128
Charge for the year	905	472	2935	1825	6137
Disposals	-	-	(799)	-	(799)
At 31st May 1995	<u>5190</u>	<u>2269</u>	<u>8123</u>	<u>9884</u>	<u>25466</u>
<u>Net Book Value</u>					
At 31st May 1995	<u>£ 842</u>	<u>£2244</u>	<u>£ 8277</u>	<u>£12013</u>	<u>£23376</u>
At 31st May 1994	<u>£1747</u>	<u>£1134</u>	<u>£11613</u>	<u>£13838</u>	<u>£28332</u>

Motor vehicles costing £6200 (1994 : £11500), and with a written down value of £4212 (1994 : £9787) at 31st May 1995 are subject to hire purchase agreements.

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MAY 1995

7. STOCK

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Garage materials and work in progress	3554	6853
Vehicles for resale	<u>5895</u>	<u>6900</u>
	<u>£ 9449</u>	<u>£13753</u>

8. DEBTORS

Due within one year:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Trade debtors	30496	17234
Other debtors	<u>285</u>	<u>-</u>
	<u>£30781</u>	<u>£17234</u>

9. CREDITORS : Amounts falling due within one year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Trade creditors	16632	16555
Other creditors	5263	7879
Taxation and social security	14378	14059
Corporation tax	-	255
Net obligations under hire purchase creditors	5156	3673
Current instalment of bank loans	<u>6792</u>	<u>6491</u>
	<u>£48221</u>	<u>£48912</u>

The bank loans are secured by a fixed and floating charge over the assets of the company, and by personal guarantees of the directors.

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

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Net obligations under hire purchase contracts	5451	2667
Bank loans repayable within 2 years	3438	731
Bank loans repayable after more than 5 years	<u>21905</u>	<u>25123</u>
	<u>£30794</u>	<u>£28521</u>

The various hire purchase agreements are all repayable within 3 years.

WARWICK CAR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MAY 1995

11. DEFERRED TAXATION

The potential liability to deferred taxation due to accelerated capital allowances is £260 (1994 : £437). No provision has been made in these accounts.

12. CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>	<u>100</u>	<u>100</u>

13. CONTINGENT LIABILITY

The company had no contingent liabilities at the year ended (1994 : Nil).

14. MOVEMENT ON SHAREHOLDERS FUNDS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
(Loss)/Profit for the year	(3290)	8022
Share capital issued during the year	-	1
Opening shareholders funds	<u>(9411)</u>	<u>(17434)</u>
Closing shareholders funds	<u>£(12701)</u>	<u>£ (9411)</u>

15. CAPITAL COMMITMENTS

At the year end the company had no capital commitments (1994 : Nil).

16. OTHER COMMITMENTS

At 31st May 1995 the company had annual commitments under non cancellable operating leases as follows:

	<u>Land and Buildings</u>		<u>Other</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Expiry date:				
Within one year	-	-	1401	-
Between two and five year	-	-	4872	3953
In more than five years	<u>12996</u>	<u>12996</u>	<u>-</u>	<u>-</u>
	<u>£12996</u>	<u>£12996</u>	<u>£ 6273</u>	<u>£ 3953</u>