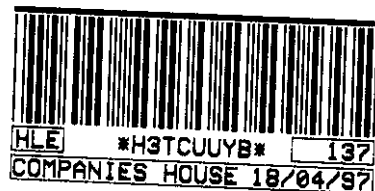


TRUST MOTORS HOLDINGS LIMITED

ACCOUNTS

31 DECEMBER 1996



Registered Number : 2825899

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report, together with the audited accounts for the year ended 31 December 1996.

Financial

- a) The profit for the year is shown in the attached profit and loss account.
- b) The directors recommend that a dividend of £690,000 be paid.

Activities

The activity of the company consists of the management of motor distribution operations.

Directors

The following were directors during the year :

N S Barr	Parent company director
R W Bell	Parent company director (appointed 9.1.96)
J F O'Leary	Resigned 9.1.96

The interests of the parent company directors are disclosed in that company's accounts.

Personnel

The average number of people employed during the year by the company was 8 (1995: 5) and their aggregate remuneration, excluding pension fund benefits not receivable in cash was £375,946 (1995: £196,212).

Employment of the disabled

The company's policy is founded on the belief that the disabled do not belong to a single category but are individuals offering a wide range of skills and capabilities whose disabilities vary in their nature and severity and may not necessarily limit the work they do. Within that context it is the company's policy that disabled people should have the same consideration as others for all job vacancies for which they apply as suitable candidates. Depending on their own skills and abilities the disabled have the same career prospects and opportunities for promotion as other employees and the same scope for realising their full potential within the working structure of the company.

Employee participation

It is the company's policy to give as much information about its activities to employees as is practicable.

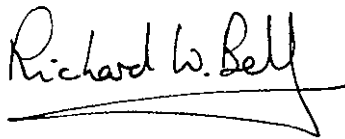
The company is part of a diverse group which issues an annual report to employees which covers the group's activities as a whole and additionally deals separately with the individual divisions.

REPORT OF THE DIRECTORS (continued)

Creditor payment policy

It is company policy in respect of its suppliers to settle the terms of payment with those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment and to abide by the terms of payment.

By order of the Board

A handwritten signature in cursive script that reads "Richard W. Bell". The signature is written in dark ink and has a long, sweeping horizontal stroke at the bottom.

R W BELL

Secretary

3 April 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, KPMG AUDIT PLC, TO THE MEMBERS OF TRUST MOTORS HOLDINGS LIMITED

We have audited the accounts on pages 5 to 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants
Registered Auditor
Leeds

3 April 1997

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996 £	1995 £
Turnover	2	704,000	336,752
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		704,000	336,752
Administrative expenses		(720,575)	(335,759)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before tax	3-4	(16,575)	993
Dividends receivable	6	700,000	150,000
		<hr/>	<hr/>
Profit before tax		683,425	150,993
Tax on (loss)/profit on ordinary activities	5	2,467	(626)
		<hr/>	<hr/>
Profit after tax		685,892	150,367
Dividends payable	7	(690,000)	(120,000)
		<hr/>	<hr/>
Retained (loss)/profit for the year		(4,108) =====	30,367 =====

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis in both the current and preceding year.

There are no recognised gains and losses apart from those included in the above profit and loss account.

The attached notes form part of these accounts.

BALANCE SHEET
AS AT 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Fixed assets:			
Investments	8	998	998
		<hr/>	<hr/>
Current assets:			
Group relief receivable		2,890	423
Cash at bank and in hand		41,017	41,017
Dividend receivable		700,000	150,000
Due from fellow subsidiaries		30,000	-
		<hr/>	<hr/>
		773,907	191,440
Creditors: Amounts falling due within one year			
Corporation tax		(626)	(626)
Amounts owed to parent company		(82,804)	(66,229)
Dividend payable		(690,000)	(120,000)
		<hr/>	<hr/>
		(773,430)	(186,855)
Net current assets		477	4,585
		<hr/>	<hr/>
Net assets		1,475	5,583
		<hr/>	<hr/>
Capital and reserves:			
Called up share capital	9	1,000	1,000
Profit and loss	10	475	4,583
		<hr/>	<hr/>
Shareholders' funds	11	1,475	5,583
		<hr/>	<hr/>

The attached notes form part of these accounts.

N S BARR

Nick MacS. Barr

DIRECTOR

Approved by the board of directors on 3 April 1997

NOTES ON THE ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 1996

1 Accounting policies

Accounting convention:

The accounts have been prepared under the historical cost convention, in accordance with Schedule 4 to the Companies Act 1985 and applicable accounting standards.

Turnover:

Turnover comprises the invoiced value, excluding VAT, of services provided in the year.

Deferred tax :

In accordance with Statement of Standard Accounting Practice 15, provision for deferred tax is only made when such deferred tax is likely to be paid in the foreseeable future.

Cash flow statement :

Under Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking of an EC parent.

2 Turnover

	<u>1996</u> £	<u>1995</u> £
Group Companies:		
United Kingdom	704,000 =====	336,752 =====

3 Directors' emoluments

Directors' emoluments were:

Salaries and emoluments	125,000	77,000
Pension contributions paid by the company	15,000	10,879
Compensation for loss of office	39,636	-
	<hr/> 179,636 =====	<hr/> 87,879 =====

The emoluments of the Chairman were £125,000 (1995: £Nil).

The emoluments of the highest paid director were £125,000 (1995: £77,000).

The emoluments of the directors, excluding pension contributions, were in the following ranges:

	<u>1996</u>	<u>1995</u>
	<u>Numbers</u>	
Not more than £5,000	2	2
£75,001 - £80,000	-	1
£120,001 - £125,000	1	-

NOTES ON THE ACCOUNTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 1996

4 Employees

	<u>1996</u>	<u>1995</u>
	<u>Numbers</u>	
The average weekly number of employees during the year was:	8	5
	=	=
	<u>1996</u>	<u>1995</u>
	£	£
Staff costs during the year amounted to:		
Wages and salaries	375,946	196,212
Social security charges	32,079	18,696
Other pension costs	34,948	26,734
	<u>442,973</u>	<u>241,642</u>
	=====	=====

5 Tax on profit on ordinary activities

	<u>1996</u>	<u>1995</u>
	£	£
The (credit)/charge for the year at 33% (1995: 33%) comprises:		
Corporation tax	-	626
Group relief receivable	(2,467)	-
	<u>(2,467)</u>	<u>626</u>
	=====	=====

6 Dividends receivable

All dividends receivable are due from subsidiary companies.

7 Dividends payable

	<u>1996</u>	<u>1995</u>
	£	£
Proposed dividend on ordinary shares	690,000	120,000
	=====	=====

8 Investments

	<u>1996</u>	<u>1995</u>
	£	£
Shares in subsidiary companies at cost	998	998
	===	===

<u>Name</u>	<u>Country of Registration</u>	<u>Class of shares held</u>	<u>Percentage held</u>	<u>Profit for the year</u>	<u>Aggregate capital and reserves</u>
				£	£
BCB Motor Factors Limited	England	Ordinary	100%	-	59,700
Trust Motors Limited	England	Ordinary	100%	630,503	1,603,824
Wallace Arnold Hiring Limited	England	Ordinary	100%	-	500

Group accounts have not been prepared by virtue of Section 228 of the Companies Act 1985 as the company is a wholly owned subsidiary of Barr & Wallace Arnold Trust PLC, which is incorporated in Great Britain and registered in England. In the opinion of the directors the investments are worth at least the figure at which they are stated in the accounts.

NOTES ON THE ACCOUNTS (continued)
FOR THE PERIOD ENDED 31 DECEMBER 1996

9 Share capital

	Authorised	<u>Called up and fully paid</u>	
		<u>1996</u>	<u>1995</u>
		£	£
Ordinary shares of £1 each	1,000	1,000	1,000
	=====	=====	=====

10 Reserves

	<u>Profit and loss account</u>
	£
Balance at 1 January 1996	4,583
Retained Profit for the year	(4,108)

Balance at 31 December 1996	475
	=====

11 Reconciliation of movement in shareholders funds

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the financial year	685,892	150,367
Dividends	(690,000)	(120,000)
	-----	-----
Net (reduction in)/addition to shareholders funds'	(4,108)	30,367
Opening shareholders' funds	5,583	(24,784)
	-----	-----
Closing shareholders' funds	1,475	5,583
	=====	=====

12 Contingent liabilities

The company has given guarantees in respect of certain fellow subsidiaries' bank accounts which may be overdrawn. At 31 December 1996, the aggregate amount of these overdrafts is £2,746,913 (1995: £Nil).

13 Pension scheme

The company makes pension contributions to defined benefit schemes operated by the ultimate parent company. Particulars of the actuarial valuation of the group schemes are contained within that company's accounts. Contributions are based on costs across the group as a whole.

14 Parent company

The company's parent company is Barr & Wallace Arnold Trust PLC, which is incorporated in Great Britain and registered in England.

Copies of the Group Accounts are available from the Company Secretary at Gelderd Road, Leeds LS12 6RR.