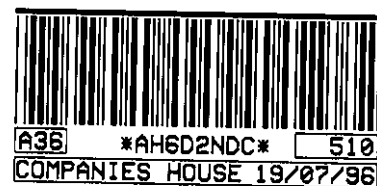


SLOUGH MOTOR COMPANY LIMITED

FINANCIAL STATEMENTS

30th September 1995



Slough Motor Company Limited

Directors' report and financial statements

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Slough Motor Company Limited

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 30th September 1995.

Activities

The main activities of the company are the sale, export, hire and maintenance of motor vehicles and ancillary services.

Results

The results for the year are set out on page 4.

The directors do not recommend the payment of a dividend.

Significant changes in fixed assets

Movements in fixed assets are set out in note 8.

Directors

The directors who held office during the year were:

M J Warnes
L B Friedman
C Redfern
T F Bradbury

M J Warnes and L B Friedman are directors of the ultimate parent company, Bestodeck Limited, and their interests in the shares of the group companies are shown in that company's financial statements.

C Redfern and T F Bradbury hold no shares in group companies.

L B Friedman retires from the board and, being eligible, offers himself for re-election.

Auditors

Taylor's are willing to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

On behalf of the board



L B FRIEDMAN

4th June 1996

Registered Office: 51 Queen Anne Street, London, W1M 9FA

Slough Motor Company Limited

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 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.

Slough Motor Company Limited

Auditors' report to the shareholders of Slough Motor Company Limited

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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

As stated in note 1 on page 7 no depreciation is provided on freehold buildings. Accordingly the company has not complied with Statement of Standard Accounting Practice No. 12 and Schedule 4, Paragraph 32 (1) of the Companies Act 1985.

Except for the matter above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


TAYLORS

Chartered Accountants and Registered Auditors

51 Queen Anne Street, London W1M 9FA.

4th June 1996

Slough Motor Company Limited

Profit And Loss Account

for the year ended 30th September 1995

	Note	1995 £	1994 £
Turnover	1	33,483,025	31,048,117
Cost of sales		28,311,383	26,148,840
Gross profit		5,171,642	4,899,277
Distribution and administrative expenses	2	4,887,817	4,701,646
		283,825	197,631
Other income	3	1,446	-
		285,271	197,631
Interest payable	4	201,073	130,224
Profit on ordinary activities before taxation	5	84,198	67,407
Taxation	6	15,000	8,632
Profit for the financial year	16	69,198	58,775

Recognised gains and losses

There are no recognised gains or losses other than the profit attributable to shareholders of the company.

Slough Motor Company Limited

Balance Sheet

at 30th September 1995

	Note	£	1995 £	1994 £
Fixed assets				
Tangible assets	8		2,179,043	2,112,025
Current assets				
Stock	1	2,314,220		2,288,541
Debtors	9	901,031		1,094,385
Cash at bank and in hand		2,815		2,395
			<u>3,218,066</u>	<u>3,385,321</u>
Creditors				
Amounts falling due within one year	10	3,731,821		3,800,291
			<u>(513,755)</u>	<u>(414,970)</u>
Net current liabilities				
			<u>1,665,288</u>	<u>1,697,055</u>
Total assets less current liabilities				
Creditors				
Amounts falling due after more than one year	11	643,984		744,949
Loan from parent company	12	150,000		150,000
			<u>(793,984)</u>	<u>(894,949)</u>
			<u>871,304</u>	<u>802,106</u>
Capital and reserves				
Called up share capital	14		50,100	50,100
Revaluation reserve	15		216,524	216,524
Profit and loss account			604,680	535,482
			<u>871,304</u>	<u>802,106</u>
Total shareholders' funds				
			<u>871,304</u>	<u>802,106</u>
Shareholders' funds are attributable to:				
Non-equity shareholders' funds			100	100
Equity shareholders' funds			871,204	802,006
			<u>871,304</u>	<u>802,106</u>

These financial statements were approved by the board of directors on 4th June 1996 and were signed on its behalf by:


L B FRIEDMAN
Director

Slough Motor Company Limited

Cash Flow Statement

for the year ended 30th September 1995

	<i>Note</i>	£	1995 £	£	1994 £
<i>Operating profit</i>			285,271		197,631
<i>Operating activities</i>					
Depreciation charges		134,646		136,239	
Decrease/(increase) in stock		(25,679)		183,876	
Decrease/(increase) in debtors		193,354		(76,476)	
Increase in creditors		14,730		45,485	
		<hr/>		<hr/>	
			317,051		289,124
			<hr/>		<hr/>
<i>Net cash inflow from operating activities</i>			602,322		486,755
<i>Returns on investment and servicing of finance</i>					
Interest received		-		-	
Interest paid		(201,073)		(130,224)	
		<hr/>		<hr/>	
<i>Net cash outflow from returns on investment and servicing of finance</i>			(201,073)		(130,224)
<i>Taxation</i>					
Corporation tax paid		(15,000)		(9,000)	
Group relief refunded		-		6,368	
		<hr/>		<hr/>	
			(15,000)		(2,632)
<i>Investing activities</i>					
Proceeds of sale of fixed assets		308,793		209,011	
Payments to acquire fixed assets		(510,457)		(959,953)	
		<hr/>		<hr/>	
<i>Net cash outflow from investing activities</i>			(201,664)		(750,942)
			<hr/>		<hr/>
<i>Net cash inflow/(outflow) before financing</i>			184,585		(397,043)
<i>Financing</i>					
(Decrease)/increase in loans	17	(137,004)		454,166	
		<hr/>		<hr/>	
<i>Net cash inflow from financing</i>			(137,004)		454,166
			<hr/>		<hr/>
<i>Increase in cash and cash equivalents</i>	18		47,581		57,123
			<hr/>		<hr/>

Slough Motor Company Limited

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of properties except that no depreciation has been provided on freehold buildings.

Turnover

This represents the value of goods sold, services provided and commissions receivable by the company, excluding value added tax.

Fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings, plant and equipment	- 10% to 20% per annum
Car hire vehicles	- 3% per month
Leasehold property	- over the unexpired period of the lease

No depreciation is provided on freehold buildings.

Stock

Stock is valued at the lower of cost and net realisable value. Stock held on consignment is accounted for in the balance sheet only when title has passed to the company or when the commercial risk of obsolescence rests with the company.

Leased assets

Rental payments are written off in the year in which they are incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Slough Motor Company Limited

Notes (continued)

	1995 £	1994 £
2. Distribution and administrative expenses		
Distribution costs	3,391,811	3,212,756
Administrative expenses	1,496,006	1,488,890
	<u>4,887,817</u>	<u>4,701,646</u>
3. Other income		
Interest	1,146	-
Rent	300	-
	<u>1,446</u>	<u>-</u>
4. Interest payable		
Bank overdraft	80,409	43,881
Loans repayable within five years	62,435	33,484
Loans repayable wholly or partly in more than five years	58,229	52,859
	<u>201,073</u>	<u>130,224</u>
5. Profit on ordinary activities		
This is stated after charging:		
Auditors' remuneration	9,000	9,000
Operating lease charges:		
Equipment	8,025	5,736
Other	169,705	156,335
Depreciation and amounts written off tangible fixed assets	134,646	136,239
	<u></u>	<u></u>
6. Taxation		
Based on the profit for the year:		
Corporation tax at 25%	15,000	15,000
Adjustment in respect of prior year	-	(6,368)
	<u>15,000</u>	<u>8,632</u>

Slough Motor Company Limited

Notes (continued)

	1995 No.	1994 No.
7. Staff numbers and costs		

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

Production	75	67
Distribution	74	89
Administrative	33	21
	<hr/>	<hr/>
	182	177
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	2,571,232	2,286,907
Social security costs	247,362	221,873
Other pension costs	41,822	38,165
	<hr/>	<hr/>
	2,860,416	2,546,945
	<hr/>	<hr/>

8. Tangible assets

	Freehold properties £	Fixtures, fittings, plant and equipment £	Car hire vehicles £	Total £
Cost or valuation				
At beginning of year	1,323,962	895,931	374,777	2,594,670
Additions		116,848	393,609	510,457
Disposals		(5,620)	(344,407)	(350,027)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,323,962	1,007,159	423,979	2,755,100
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year		447,776	34,869	482,645
Provided this year		106,127	28,519	134,646
Disposals		(724)	(40,510)	(41,234)
		<hr/>	<hr/>	<hr/>
At end of year		553,179	22,878	576,057
		<hr/>	<hr/>	<hr/>
Net book values				
30th September 1995	1,323,962	453,980	401,101	2,179,043
	<hr/>	<hr/>	<hr/>	<hr/>
30th September 1994	1,323,962	448,155	339,908	2,112,025
	<hr/>	<hr/>	<hr/>	<hr/>

Net book value of fixed assets held under hire purchase contracts was £ Nil (1994 £9,757).

Slough Motor Company Limited

Notes (continued)

	1995 £	1994 £
8. Tangible assets (continued)		
<i>Freehold properties comprise</i>		
Cost	923,962	923,962
Valuation - 1988	400,000	400,000
	<hr/>	<hr/>
	1,323,962	1,323,962
	<hr/>	<hr/>
 The historical cost of these properties was	 1,107,438	 1,107,438
	<hr/>	<hr/>
 As stated in the Accounting Policies, no depreciation is provided on freehold buildings.		
 All other tangible assets are stated at historical cost.		
 9. Debtors		
Trade debtors	880,387	1,075,226
Other debtors	1,018	580
Prepayments and accrued income	19,626	18,579
	<hr/>	<hr/>
	901,031	1,094,385
	<hr/>	<hr/>
 10. Creditors falling due within one year		
Trade creditors	1,917,629	1,690,893
Other creditors	-	218
Hire purchase	-	8,707
Social security and other taxes	282,985	292,807
Amounts owed to group undertakings	440,845	489,048
Accruals	452,081	597,137
Bank overdraft (secured - see note 13)	474,201	521,362
Short term loans (secured - see note 13)	64,380	100,419
Long term loans (secured - see note 13)	84,700	84,700
Corporation tax payable	15,000	15,000
	<hr/>	<hr/>
	3,731,821	3,800,291
	<hr/>	<hr/>

Slough Motor Company Limited

Notes (continued)

	1995 £	1994 £
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11. Creditors falling due after more than one year

Long term loans (secured - see note 13)	643,984	744,949
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12. Ultimate parent company

The company's ultimate parent company is Bestodeck Limited, a company registered in England and Wales. The loan of £150,000 is, at present, free of interest.

13. Bank overdraft and loans

The aggregate amount of secured borrowings is as follows:

Falling due within five years:

Bank overdraft	474,201	521,362
Short term loans	64,381	100,419
Long term loans	423,500	423,500
	<hr/>	<hr/>
	962,082	1,045,281

Falling due after more than five years:

Long term loans	305,184	406,149
-----------------	---------	---------

The bank overdraft and loans are secured by fixed and floating charges over the company's assets.

The long term loans are repayable as follows:

- Monthly instalments of £1,505 inclusive of interest.
- Monthly instalments of £1,958; interest variable with Finance House base rate.
- Monthly instalments of £5,062 inclusive of interest.

	1995 £	1994 £
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14. Share capital

Authorised

'A' ordinary shares of £1 each	50,000	50,000
'B' ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	50,100	50,100

Allotted, issued and fully paid

'A' ordinary shares of £1 each	50,000	50,000
'B' ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	50,100	50,100

Slough Motor Company Limited

Notes (continued)

	1995 £	1994 £
15. Revaluation reserve		
At beginning and end of year	216,524	216,524
	<u> </u>	<u> </u>
There is no present intention of disposing of the revalued properties; accordingly no provision has been made in these financial statements for taxation of £72,000 which would arise in the event of such a disposal.		
16. Reconciliation of movements in shareholders' funds		
Profit for the financial year	69,198	58,775
Other movement	-	-
	<u> </u>	<u> </u>
Net addition to shareholders' funds	69,198	58,775
Opening shareholders' funds	802,106	743,331
	<u> </u>	<u> </u>
Closing shareholders' funds	871,304	802,106
	<u> </u>	<u> </u>
17. Analysis of changes in financing during the year		
<i>Loans</i>		
At start of year	930,068	475,902
Net cash inflow	(137,004)	454,166
	<u> </u>	<u> </u>
At end of year	793,064	930,068
	<u> </u>	<u> </u>
18. Analysis of changes in cash and cash equivalents during the year		
Balance at start of year	(518,967)	(576,090)
Net cash inflow	47,581	57,123
	<u> </u>	<u> </u>
Balance at end of year	(471,386)	(518,967)
	<u> </u>	<u> </u>

Slough Motor Company Limited

Notes (continued)

19. Contingent liability

The company is the representative member of a group registration for value added tax purposes and, accordingly, is jointly and severally liable for any such tax due by other group members.

20. Financial commitments

Pensions

The company contributes to a fully insured defined benefit scheme, operated by a fellow subsidiary company, under which amounts to be paid as retirement benefits are determined by an employee's earnings and/or years of service. Contributions are written off to the profit and loss account in the accounting period in which they are required.

Operating leases

The company has annual commitments expiring as follows:

	£	1995 £	£	1994 £
	Land and Buildings	Other	Land and Buildings	Other
Within one year	-	8,320	-	-
In two to five years	-		-	-
After five years	169,705		171,800	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	169,705	8,320	171,800	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21. Deferred taxation

The total potential liability, none of which has been provided in these financial statements, is as follows:

	1995 £	1994 £
Revaluation of properties	72,000	72,000
	<u> </u>	<u> </u>