


WATERHOUSE LIMITED

1626442



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER, 1988

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DIRECTORS

Mr.D.B. Tuckett

Mr.R.J. Butler

SECRETARY

Mr.D.B. Tuckett

REGISTERED OFFICE &  
BUSINESS ADDRESS

Bilton Road,  
Waterhouse Lane,  
Chelmsford,  
Essex.

BANKERS

National Westminster  
Bank Plc.

AUDITORS

Littlejohn Frazer,  
Radio House,  
Clifftown Road,  
Southend-on-Sea,  
Essex.

SOLICITORS

Edge & Ellison,  
Hatwell Pritchett & Co.,  
Rutland House,  
148 Edmund Street,  
Birmingham.

WATERHOUSE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventh Annual General Meeting of the members of Waterhouse Limited will be held at Bilton Road, Waterhouse Lane, Chelmsford, Essex on Wednesday 7th June 1989 at 2.00 p.m., to transact the following business:-

1. To receive the report and accounts for the year ended 31st December, 1988.
2. To declare a dividend.
3. To re-elect a Director.
4. To re-appoint Littlejohn Frazer as Auditors to the Company.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To transact any other ordinary business of the Company.

BY ORDER OF THE BOARD

D.B. TUCKETT  
Secretary

Dated: 25th April, 1989.

Chelmsford, Essex.

Notes

1. A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him.  
To be valid, forms of proxy must be received by the Company at least forty-eight hours before the time of the meeting.  
A proxy need not be a member of the Company.
2. No contracts of service exist between the Directors and the Company.
3. The register of the Directors' shareholdings and transactions will be available for reference at the commencement of and during the continuance of the Annual General Meeting.

The Directors present their report and accounts for the year ended 31st December, 1988.

#### RESULTS AND DIVIDENDS

The profit for the year, before taxation, amounted to £651,230, compared with £610,053 in 1987. The taxation charge was £235,697 (1987: £220,705) leaving the profit after taxation of £415,533 (1987: £389,348).

The Directors recommend a final dividend of £150,000. After this dividend a retained profit of £265,533 will remain.

#### REVIEW OF THE BUSINESS

The Company's principal activities during the year were those of Mercedes Benz passenger car dealers and automobile engineers.

#### FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

#### DIRECTORS AND THEIR INTERESTS

The Directors during the year and their interests in the share capital of the Company were as follows:

	<u>At 31.12. 1988</u>	<u>At 31.12. 1987</u>
	<u>Ordinary Shares</u>	<u>Ordinary Shares</u>
D.B. Tuckett) Beneficially held	1	-
R.J. Butler ) for Titanstrong Ltd.	1	-

Mr.D.B. Tuckett has beneficial interests of 22000 ordinary shares of £1 each in Titanstrong Limited. Mr.R.J. Butler has beneficial interests of 10,668 ordinary shares of £1 each and non-beneficial interests of 8,332 ordinary shares of £1 each in Gladwell Commercial Holdings Limited, which holds 22000 ordinary £1 shares in Titanstrong Limited. The Directors consider Titanstrong Limited to be the ultimate Holding Company.

#### CLOSE COMPANY

The Company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

#### AUDITORS

Littlejohn Frazer are willing to continue in office. A resolution to re-appoint them as Auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

D.B. TUCKETT  
SECRETARY

25th April, 1989.

We have audited the accounts on pages 6 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs at 31st December, 1988 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

LITTLEJOHN FRAZER  
CHARTERED ACCOUNTANTS

Radio House,  
Clifftown Road,  
Southend-on-Sea,  
Essex. SS1 1SS.

25th April, 1989.

<u>PROFIT AND LOSS ACCOUNT</u>	WATERHOUSE LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 1988
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	<u>Note</u>	<u>1988</u>	<u>1987</u>
<u>TURNOVER</u>	2	7,734,841	6,908,053
<u>COST OF SALES</u>		(6,337,556)	(5,773,280)
<u>GROSS PROFIT</u>		1,397,285	1,134,773
Administrative Expenses		(772,785)	(511,031)
<u>OPERATING PROFIT</u>	3	624,500	623,742
Interest Receivable	6	26,730	9,309
Interest Payable	7	-	(22,998)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		651,230	610,053
<u>TAXATION</u>	8	(235,697)	(220,705)
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		415,533	389,348
Dividends Proposed		150,000	-
		265,533	389,348
<u>RETAINED PROFIT BROUGHT FORWARD</u>		683,773	294,425
<u>RETAINED PROFIT CARRIED FORWARD</u>		£949,306	£683,773

The notes on pages 9 to 13 form part of these accounts.

## BALANCE SHEET

WATERHOUSE LIMITED  
AT 31ST DECEMBER, 1988

	<u>Note</u>	<u>1988</u>	<u>1987</u>
<u>FIXED ASSETS</u>			
Tangible Assets	9	196,089	184,265
<u>CURRENT ASSETS</u>			
Stocks	10	1,185,199	823,681
Debtors	11	240,615	135,007
Cash at Bank and in Hand		<u>377,949</u>	<u>148,565</u>
		1,803,763	1,107,253
<u>CURRENT LIABILITIES</u>			
Creditors: amounts falling due within one year	12	<u>(1,006,546)</u>	<u>(563,745)</u>
<u>NET CURRENT ASSETS</u>		<u>797,217</u>	<u>543,508</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>£993,306</u>	<u>£727,773</u>
<u>CAPITAL AND RESERVES</u>			
Called-up Share Capital	14	44,000	44,000
Profit and Loss Account		<u>949,306</u>	<u>683,773</u>
		<u>£993,306</u>	<u>£727,773</u>

Approved by the Board on 25th April 1989

D.B. TUCKETT

R.J. BUTLER

) DIRECTORS

The notes on pages 9 to 13 form part of these accounts.



STATEMENT OF SOURCE AND  
APPLICATION OF FUNDS

WATERHOUSE LIMITED  
FOR THE YEAR ENDED 31ST DECEMBER, 1988

	<u>1988</u>	<u>1987</u>
<u>SOURCE OF FUNDS</u>		
Profit on Ordinary Activities before Taxation	651,230	610,053
Adjustment for Items not involving the Movement of Funds:		
Depreciation	37,138	35,458
Profit/Loss on Disposal of Tangible Fixed Assets	<u>(127)</u>	<u>258</u>
<u>FUNDS GENERATED FROM OPERATIONS</u>	688,241	645,769
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds of Disposal of Tangible Fixed Assets	<u>24,309</u>	<u>6,875</u>
	712,550	652,644
<u>APPLICATION OF FUNDS</u>		
Loans Repaid	-	212,500
Purchase of Tangible Fixed Assets	73,144	45,991
Tax Paid	<u>220,775</u>	<u>207,308</u>
	(293,919)	(465,799)
	418,631	186,845
<u>MOVEMENT OF WORKING CAPITAL</u>		
Stocks	(361,518)	(306,269)
Debtors	(55,608)	(27,477)
Payments Received on Account	155,067	126,723
Creditors	<u>72,812</u>	<u>9,725</u>
	(189,247)	(197,298)
	<u>£229,384</u>	<u>£(10,453)</u>
<u>MOVEMENT OF NET LIQUID FUNDS</u>		
Cash at Bank and in Hand	229,384	(253,070)
Bank Overdraft	<u>-</u>	<u>242,617</u>
	<u>£229,384</u>	<u>£(10,453)</u>

The notes on pages 9 to 13 form part of these accounts.

1. ACCOUNTING POLICIES(a) Accounting Convention

The accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:-

Improvements to Leasehold Property	- over the lease term
Plant and Machinery	- 20% on the reducing balance
Fixtures and Fittings	- 20% on the reducing balance
Tools and Equipment	- 20% on straight line
Motor Vehicles	- charged according to the individual mileage and condition of each car

(c) Stocks

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

(d) Deferred Taxation

No provision is provided for Deferred Taxation. Amounts of potential liability are disclosed in note 13.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

3. OPERATING PROFIT

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
This is stated after:		
Charging:		
Directors' Remuneration	89,043	-
Auditors' Remuneration	12,098	5,150
Depreciation	37,138	35,458
Profit/Loss on Sale of Fixed Assets	<u>(127)</u>	<u>258</u>

	<u>1988</u>	<u>1987</u>
4. <u>EMPLOYEES</u>		
<u>Staff Costs</u> (including Directors)		
Wages and Salaries	485,934	306,521
Social Security Costs	48,439	32,242
Other Pension Costs	<u>47,043</u>	<u>3,150</u>
	<u>£581,416</u>	<u>£341,913</u>

The average weekly number of employees during the year was made up as follows:

	<u>No.</u>	<u>No.</u>
Vehicle Sales	6	6
Administration	7	5
Parts Department	5	3
Workshop Department	<u>18</u>	<u>15</u>
	<u>36</u>	<u>29</u>

There was one higher paid employee whose emoluments fell within the range £30,000 - £35,000.

5. DIRECTORS' REMUNERATION

Emoluments	£45,500	£Nil
Pension Contributions	<u>£43,543</u>	<u>£Nil</u>

The emoluments of the highest paid Director were £39,000 and of the remaining Director were £6,500.

6. INTEREST RECEIVABLE

Money Market and General Deposits	<u>£26,730</u>	<u>£9,309</u>
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7. INTEREST PAYABLE

Other Loans wholly repayable within five years	<u>£Nil</u>	<u>£22,998</u>
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	<u>1988</u>	<u>1987</u>
8. <u>TAXATION</u>		
Based on the Profit for the Year:		
Corporation Tax at 35% (1987: 35%)	235,697	220,775
Taxation Over/(Under) provided in previous Years:		
Corporation Tax	<u>-</u>	<u>(70)</u>
	<u>235,697</u>	<u>£220,705</u>

9. TANGIBLE FIXED ASSETS

	<u>Short Leasehold Property</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Fixtures, Fittings, Tools and Equipment</u>	<u>Total</u>
<u>Cost (or Valuation):</u>					
At 1.1. 1988	168,512	41,375	38,282	55,710	303,879
Additions	15,000	4,776	36,978	16,390	73,144
Disposals	<u>-</u>	<u>(130)</u>	<u>(26,259)</u>	<u>(975)</u>	<u>(27,364)</u>
At 31.12. 1988	<u>£183,512</u>	<u>£46,021</u>	<u>£49,001</u>	<u>£71,125</u>	<u>£349,659</u>
<u>Depreciation:</u>					
At 1.1. 1988	60,446	20,055	9,809	29,304	119,614
Provided during the Year	15,813	5,198	6,683	9,444	37,138
Disposals	<u>-</u>	<u>(26)</u>	<u>(2,500)</u>	<u>(656)</u>	<u>(3,182)</u>
At 31.12. 1988	<u>£76,259</u>	<u>£25,227</u>	<u>£13,992</u>	<u>£38,092</u>	<u>£153,570</u>
<u>Net Book Value</u>					
At: 31.12. 1988	<u>£107,253</u>	<u>£20,794</u>	<u>£35,009</u>	<u>£33,033</u>	<u>£196,089</u>
At: 31.12. 1987	<u>£108,066</u>	<u>£21,320</u>	<u>£28,473</u>	<u>£26,406</u>	<u>£184,265</u>

10. STOCKS

	<u>Book Value</u>	
	<u>1988</u>	<u>1987</u>
Finished Goods and Goods for Resale	<u>£1,185,199</u>	<u>£823,681</u>

11. DEBTORS

Trade Debtors	122,668	112,393
Other Debtors	75,394	-
Prepayments and Accrued Income	<u>42,553</u>	<u>22,614</u>
	<u>£240,615</u>	<u>£135,007</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Payments Received on Account	334,943	179,876
Trade Creditors	198,489	118,888
Current Corporation Tax	235,697	220,775
Other Taxes and Social Security Costs	65,780	40,335
Dividends Proposed	150,000	-
Accruals	<u>21,637</u>	<u>3,871</u>
	<u>£1,006,546</u>	<u>£563,745</u>

13. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential amounts, including the amounts for which provision has been made, are as follows:

	<u>Provision</u>		<u>Full Potential Liability</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
Capital Allowances in Advance of Depreciation	-	-	-	-
Other Timing Differences	<u>£ -</u>	<u>£ -</u>	<u>£41,770</u>	<u>£47,275</u>

14. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, Called-up and Fully Paid</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
Ordinary Shares of £1 each	£100,000	£100,000	£44,000	£44,000

15. CAPITAL COMMITMENTS

	<u>1988</u>	<u>1987</u>
Contracted	£ -	£8,500
Authorised by the Directors but not Contracted	£20,750	£ -

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31st December, 1988 (1987: £Nil).

17. ULTIMATE HOLDING COMPANY

The ultimate holding company is Titanstrong Limited, incorporated in the United Kingdom.