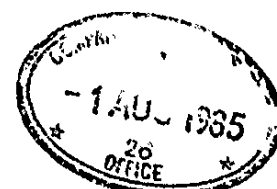


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WATERHOUSE LIMITED
BILTON ROAD
WATERHOUSE LANE
CHELMSFORD
ESSEX

Report and accounts
for the year ended
31st December, 1984



WATERHOUSE LIMITED

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WATERHOUSE LIMITED

Directors:

Mr. D.B. Tuckett
Mr. R.J. Butler

Secretary:

Mr. D.B. Tuckett

Auditors:

Messrs. Frazer, Whiting & Co.,
Chartered Accountants,
106 High Street,
Southend on Sea,
Essex.

Bankers:

National Westminster Bank PLC.,

Registered Office:

City Gate House,
Finsbury Square,
London EC2A 1EP.

WATERHOUSE LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third annual general meeting of the members of Waterhouse Limited will be held at Bilton Road, Waterhouse Lane, Chelmsford, Essex on 16th May, 1985 at 11.30 in the fore noon to transact the following business:-

1. To receive the report and accounts for the year ended 31st December, 1984.
2. To re-elect a director.
3. To re-appoint Messrs. Frazer, Whiting & Co. as auditors to the company.
4. To authorise the directors to fix the remuneration of the auditors.
5. To transact any other ordinary business of the company.

BY ORDER OF THE BOARD

Dated: 1st April, 1985
London EC2A 1EP

D.B. Tuckett
Secretary

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.

WATERHOUSE LIMITED
REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31st December, 1984.

Results and dividends

The trading profit for the year, after taxation, amounted to £2,230.

The directors do not recommend the payment of any dividend.

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 at 31st December, 1984 and their interests in the share capital of the company were as follows:-

	<u>At 31.12.84</u> <u>Ordinary shares</u> <u>of £1 each</u>	<u>At 31.12.83</u> <u>Ordinary shares</u> <u>of £1 each</u>
D.B. Tuckett	-	-
R.J. Butler	-	-

Mr. D.B. Tuckett retires by rotation and, being eligible, offers himself for re-election.

Mr. D.B. Tuckett has beneficial interests of 5,000 ordinary shares of £1 each in Larkfield of Chepstow Limited. Mr. R.J. Butler has beneficial interests of 4,084 ordinary shares of £1 each and non-beneficial interests of 4,166 ordinary shares of £1 each in Gladwell Commercial Holdings Limited, which holds 5,000 ordinary £1 shares in Larkfield of Chepstow Limited.

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

Auditors

A resolution to reappoint Messrs. Frazer, Whiting & Co., as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

D.B. Tuckett
Secretary

Dated: 1st April, 1985

London EC2A 1EP

WATERHOUSE LIMITED
REPORT OF THE AUDITORS
to the members of
WATERHOUSE LIMITED

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, 1984 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

FRAZER, WHITING & CO.
Chartered Accountants

Dated: 1st April 1985
Southend on Sea, Essex.

WATERHOUSE LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31st December, 1984

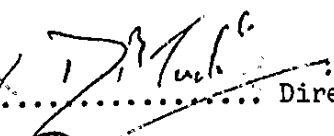
	<u>Notes</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
<u>Turnover</u>	2	1,592,844	-
Cost of sales		(1,287,001)	-
Gross profit		305,843	-
Administrative expenses		(271,904)	(19,303)
<u>Operating profit</u>	3	33,939	(19,303)
Interest receivable and similar income	6	2,522	273
		36,461	(19,030)
Interest payable and similar charges	7	(34,231)	-
<u>Profit on ordinary activities before taxation</u>		2,230	(19,030)
Tax on profit on ordinary activities	8	-	-
<u>Profit on ordinary activities after taxation</u>		2,230	(19,030)
Losses brought forward		(19,030)	-
Losses carried forward		(16,800)	(19,030)

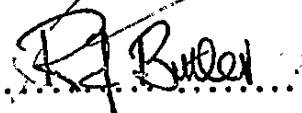
The notes on pages 9 to 13 form part of these accounts.

WATERHOUSE LIMITED
BALANCE SHEET
as at 31st December 1984

	<u>Notes</u>	<u>31.12.1984</u> <u>£</u>	<u>31.12.1983</u> <u>£</u>
<u>Fixed assets</u>			
Tangible assets	9	201,307	92,044
<u>Current assets</u>			
Stocks	10	211,308	-
Debtors	11	77,795	10,509
Cash at bank and in hand		65,895	4,321
		<u>354,998</u>	<u>14,830</u>
<u>Creditors: amounts falling due within one year</u>	12	<u>(112,351)</u>	<u>(13,904)</u>
<u>Net current assets</u>		<u>242,647</u>	<u>926</u>
<u>Total assets less current liabilities</u>		<u>443,954</u>	<u>92,970</u>
<u>Creditors: amounts falling due after more than one year</u>	13	<u>(416,754)</u>	<u>(68,000)</u>
		<u>27,200</u>	<u>24,970</u>
<u>Capital and reserves</u>			
Called up share capital	15	44,000	44,000
Profit and loss account		(16,800)	(19,030)
		<u>27,200</u>	<u>24,970</u>

Approved: 1st April 1985

D.B. Tuckett  Director

R.J. Butler  Director

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

WATERHOUSE LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31st December, 1984

	<u>£</u> <u>1984</u>	<u>£</u> <u>1983</u>
<u>Source of funds:</u>		
Profit/(loss) on ordinary activities before taxation	2,230	(19,030)
Adjustment for items not involving the movement of funds:		
Depreciation	28,066	-
<u>Total generated from operations</u>	<u>30,296</u>	<u>(19,030)</u>
<u>Funds from other sources:</u>		
Proceeds of share issue	-	43,900
	<u>30,296</u>	<u>24,870</u>
<u>Application of funds:</u>		
Purchase of tangible fixed assets	137,329	92,044
Current instalment due on loan	26,030	-
	<u>(163,359)</u>	<u>(92,044)</u>
	<u>(133,063)</u>	<u>(67,174)</u>
<u>Increase/(decrease) in working capital:</u>		
Stocks	211,308	-
Debtors	67,286	10,409
Payments received on account	(24,700)	-
Creditors: amounts falling due within one year	(29,266)	(13,904)
Creditors: amounts falling due after more than one year	(288,000)	(68,000)
	<u>(63,372)</u>	<u>(71,495)</u>
<u>Movement in net liquid funds:</u>		
Cash at bank and in hand	61,574	4,321
Current instalment due on loan	(26,030)	-
Bank overdraft and loan	(105,235)	-
	<u>(133,063)</u>	<u>(67,174)</u>

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

WATERHOUSE LIMITED

NOTES TO THE ACCOUNTS - 31st December 1984

1. Accounting policies
Accounting convention

The accounts are prepared under the historical cost convention.

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, fittings, tools and equipment	- 20% on the reducing balance
Motor vehicles	- charged according to the individual mileage and condition of each car

Stocks

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

Deferred taxation

No provision has been made for deferred taxation as the company has unabsorbed losses in excess of all timing differences.

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

3. Operating profit

This is stated after charging:

Auditors' remuneration
Depreciation

<u>1984</u>	<u>1983</u>
<u>£</u>	<u>£</u>

5,410	500
28,066	-
<u> </u>	<u> </u>

4. Staff costs

Wages and salaries
Social security costs

<u>1984</u>	<u>1983</u>
<u>£</u>	<u>£</u>
96,929	-
11,565	-
<u> </u>	<u> </u>
108,494	-
<u> </u>	<u> </u>

The average weekly number of employees during the year was 14.

WATERHOUSE LIMITED

NOTES TO THE ACCOUNTS - 31st December 1984 (continued)

5. Depreciation

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Charge for the year	<u>28,066</u>	<u>-</u>

6. Interest receivable and similar income

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Money market and general deposits	<u>2,522</u>	<u>273</u>

7. Interest payable and similar charges

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	10,944	-
Other loans not wholly repayable within five years	<u>23,287</u>	<u>-</u>
	<u>34,231</u>	<u>-</u>

8. Tax on profit on ordinary activities

No tax has been provided for in these accounts as the company has tax losses estimated at £95,618, which have been surrendered through group relief to its holding company.

WATERHOUSE LIMITED

NOTES TO THE ACCOUNTS - 31st December 1984. (continued)

9. Tangible fixed assets

	Improvements to leasehold property <u>£</u>	Plant and machinery <u>£</u>	Fixtures, fittings, tools and equipment <u>£</u>	Motor vehicles <u>£</u>	Total <u>£</u>
<u>Cost or valuation:</u>					
At 1.1.1983	87,572	4,472	-	-	92,044
Additions	72,631	20,224	37,264	7,210	137,329
At 31.12.1984	<u>160,203</u>	<u>24,696</u>	<u>37,264</u>	<u>7,210</u>	<u>229,373</u>
<u>Depreciation:</u>					
At 1.1.1983	-	-	-	-	-
Provided during the year	14,564	4,939	7,453	1,110	28,066
At 31.12.1984	<u>14,564</u>	<u>4,939</u>	<u>7,453</u>	<u>1,110</u>	<u>28,066</u>
<u>Net book value at 31.12.1984</u>	<u>145,639</u>	<u>19,757</u>	<u>29,811</u>	<u>6,100</u>	<u>201,307</u>
<u>Net book value at 31.12.1983</u>	<u>87,572</u>	<u>4,472</u>	<u>-</u>	<u>-</u>	<u>92,044</u>

10. Stocks

	<u>Book value</u>		<u>Replacement cost</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Finished goods and goods for resale	<u>211,308</u>	<u>-</u>	<u>211,308</u>	<u>-</u>

11. Debtors

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Trade debtors :	54,564	-
Prepayments and accrued income	23,231	10,509
	<u>77,795</u>	<u>10,509</u>

WATERHOUSE LIMITED

NOTES TO THE ACCOUNTS - 31st December 1984 (continued)

12. Creditors: amounts falling due within one year

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Current instalment due on bank loan (note 14)	26,030	-
Bank overdraft (see below)	18,451	-
Payments received on account	24,700	-
Trade creditors	29,659	4,228
Other taxes and social security costs	4,394	-
Other creditors	-	3,500
Accruals and deferred income	9,117	6,176
	<u>112,351</u>	<u>13,904</u>

The bank overdraft is secured by a mortgage debenture over company assets.

13. Creditors: amounts falling due after more than one year

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Bank loan (Note 14)	60,754	-
Loan from Associated Company repayable by equal half yearly instalments between 1986 - 1995	225,000	-
Loan from Group Company repayable on 29th September, 1995	131,000	68,000
	<u>416,754</u>	<u>68,000</u>

The loans from the group company and associated company are secured by debentures.

14. Bank loan

The long term bank loan bears interest at 3% above base rate within a minimum of 8% and is repayable in equal monthly instalments over 5 years.

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Amounts repayable within five years	86,785	-

The current portion of the loan amounting to £26,030 (1983:£nil) is shown in current liabilities.

The loan is secured on a mortgage debenture over company assets.

15. Called up share capital

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>No.</u>	<u>No.</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	100,000	100,000	44,000	44,000

WATERHOUSE LIMITED
NOTES TO THE ACCOUNTS - 31st December 1984 (continued)

16. Capital commitments

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Contracted	-	119,000
	<u> </u>	<u> </u>
Authorised by the directors but not contracted	-	-
	<u> </u>	<u> </u>

17. Contingent liabilities

The company is contesting a claim by a firm of architects for an amount of £3,500.

The company has paid £2,759 in respect of this claim, but are confident that no further amounts will be paid.

18. Ultimate Holding Company

The ultimate holding company is Larkfield of Chepstow Limited incorporated in the United Kingdom.