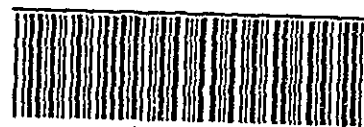


BERKHAMSTED MOTOR COMPANY LIMITED
REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1993
Company Number: 1334062



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Berkhamsted Motor Company Limited

Report of the Directors

The directors present their report and audited financial statements for the year ended 31st December 1993.

Principal Activity

The company is principally engaged in the motor trade.

Business Review

The recession continued to impact upon the motor industry with retail sales of new vehicles particularly badly affected.

The loss for the year after taxation amounted to £11,231 (1992: £2,828 profit).

The company paid a final dividend of £127,082 on 31st December 1993. No interim dividend was paid.

On 31st December 1993 the company ceased trading and transferred its assets and liabilities to Bletchley Motor Company Ltd at net book value.

Fixed Assets

Movement on fixed assets are shown in note 8 to the financial statements.

Directors

The following held office throughout the year:

D. J. Dunn
E. A. Anderson

Interest in Shares

None of the directors has a beneficial interest in the company's shares.

D.J.Dunn was a director of Bletchley Motor Group PLC at 31st December 1993 and his interest in the shares of group companies are disclosed in that company's Directors' Report.

As at 31st December 1993 and 31st December 1992 E.A.Anderson held 1,125 ordinary shares of 20p each in Bletchley Motor Group PLC.

Auditors

An elective resolution pursuant to Section 386 of the Companies Act 1985 is in force dispensing with the obligation to appoint auditors annually. KPHG Peat Marwick are, therefore, deemed to be re-appointed as auditors.

By order of the Board

Secretary

J. L. Bayer

Berkhamsted Motor Company Limited
Profit and Loss Account
For the year ended 31st December 1993

	Notes	1993	1992
		£	£
Turnover		3,955,565	3,480,533
Cost of sales		(3,559,584)	(3,115,368)
Gross profit		395,981	365,165
Distribution costs		(35,621)	(24,388)
Administration expenses		(346,853)	(293,121)
Operating profit		13,507	47,656
Interest payable and similar charges	5	(29,301)	(43,039)
(Loss)/profit on ordinary activities before taxation	2	(15,794)	4,617
Tax on (loss)/profit on ordinary activities	6	4,563	(1,789)
(Loss)/profit on ordinary activities after taxation		(11,231)	2,828
Dividends	7	(127,082)	-
Retained (loss)/profit for the financial year		(138,313)	2,828
Statement of Retained Earnings:			
Retained profit brought forward		138,313	135,485
Retained (loss)/profit for the year		(138,313)	2,828
Retained profit carried forward		0	138,313

The note on pages 4 to 8 form part of these financial statements.

All activities were discontinued on 31st December 1993.

The company had no recognised gains, nor losses, other than the loss on ordinary activities after taxation stated above.

Berkhamsted Motor Company Limited
Balance Sheet as at 31st December 1993

	Notes	1993	1992
		£	£
Fixed assets			
Tangible assets	8	0	118,559
		0	118,559
Current assets			
Stocks	9	0	180,702
Debtors	10	100	228,726
Cash at bank and in hand		0	290
		100	409,718
Creditors: amounts falling due within one year	11	0	(385,006)
Net current assets		100	24,712
Total assets less current liabilities		100	143,271
Provisions for liabilities and charges	12	0	(4,858)
Net assets		100	138,413
Capital and reserves			
Called-up share capital	13	100	100
Profit and loss account		0	138,313
		100	138,413

These financial statements were approved by the board of directors on 26th April 1994 and were signed on its behalf by:

D.J.Dunn

E.A.Anderson

The notes on pages 4 to 8 form part of these financial statements.

Berkhamsted Motor Company Limited
Notes to the financial statements
for the year ended 31st December 1993

1. Accounting Policies

The following accounting policies have been applied consistently in preparing the company's financial statements.

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

(b) Accounting Standards

The financial statements have been prepared in accordance with applicable accounting standards.

(c) Financial Reporting Standard 1

Under the provisions of Financial Reporting Standard 1 the Company is exempt from preparing a cashflow statement as it is a wholly owned subsidiary undertaking.

(d) Depreciation

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

Showroom improvements	- 10%
Motor Vehicles	- 25%
Plant & equipment	- 15%/25%

(e) Turnover

Turnover comprises the invoiced value of goods sold and services provided net of Value Added Tax.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

(g) Deferred taxation

Deferred taxation is provided by the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(h) Operating leases

All rentals payable under operating leases are charged to the profit and loss account in the year to which they relate.

(i) Pensions

Contributions to the company's pension scheme are charged to the profit and loss account so as to spread the cost of the pensions over employees working lives with the company.

Berkhamsted Motor Company Limited
Notes to the financial statements (continued)

2. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging the following:

	1993	1992
	£	£
Depreciation of tangible fixed assets	39,993	38,504
Auditors' remuneration and expenses	5,100	5,090
Rental payments on operating leases	60,274	57,646

3. Staff Numbers and Costs

The average number of persons employed by the company (excluding the Chairman) during the year was as follows:

	1993	1992
	Number	Number
Sales	5	5
Administration	5	2
Workshop & stores	19	19
	29	26

The aggregate payroll costs of those persons were as follows:

	1993	1992
	£	£
Wages and salaries	358,010	344,908
Social security costs	35,519	34,506
Pension costs	7,035	2,078
	400,564	381,492

4. Emoluments of Directors

No director received any emoluments in respect of the years to 31st December 1993 and 31st December 1992.

5. Interest Payable and similar charges

	1993	1992
	£	£
On bank loans, overdrafts and other loans to group undertakings	29,301	43,039
	29,301	43,039

Berkhamsted Motor Company Limited
Notes to the financial statements (continued)

6. Taxation

	1993	1992
	£	£
Taxation charge/(credit) based on the (loss)/profit for the year of the company:		
Corporation tax @ 33%	(8,217)	(1,021)
Deferred taxation	3,138	2,695
	(5,079)	1,674
Under provision in respect of prior years:		
Corporation tax	516	115
	(4,563)	1,789

7. Dividends

	1993	1992
	£	£
Paid:		
Ordinary Shares	127,082	0
	127,082	0

8. Tangible Fixed Assets

	Motor vehicles	Plant equipment and fittings	Total
	£	£	£
Cost			
At 1st January 1993	115,534	92,147	207,681
Additions	255,835	3,005	258,840
Disposals	(218,237)	-	(218,237)
Inter group transfer	(153,132)	(95,152)	(248,284)
At 31st December 1993	0	0	0
Depreciation			
As at 1st January 1993	12,920	76,202	89,122
Charge for year	33,855	6,138	39,993
Disposals	(23,691)	-	(23,691)
Inter group transfer	(22,684)	(82,340)	(105,224)
At 31st December 1993	0	0	0
Net Book Value			
At 31st December 1993	0	0	0
At 31st December 1992	102,614	15,945	118,559

Berkhamsted Motor Company Limited
Notes to the financial statements (continued)

9. Stocks

	1993	1992
	£	£
Vehicles	0	144,945
Parts, petrol and consumables	0	35,098
Work in progress	0	659
	0	180,702

9. Debtors

	1993	1992
	£	£
Amounts recoverable within one year:		
Trade debtors	0	127,386
Vehicle deposits	0	43,436
Amounts owed by group undertakings	100	13,267
Other debtors	0	15,743
Prepayments and accrued income	0	28,894
	100	228,726

11. Creditors: amounts falling due within one year

	1993	1992
	£	£
Bank overdraft	0	211,304
Trade creditors	0	63,458
Other taxation and social security payable	0	32,715
Accruals and deferred income	0	16,166
Other creditors	0	30,307
Amounts owed to group undertakings	0	31,056
Corporation tax	0	-
	0	385,006

12. Provisions for liabilities and charges

	Deferred taxation
	£
Balance at 1st January 1993	4,858
Charge for the year in the profit and loss account	3,138
Inter group transfer	(7,996)
Balance at 31st December 1993	0

The deferred tax provision is based on the difference between accumulated depreciation and capital allowances. There were no sums unprovided at the beginning or end of the year.

Berkhamsted Motor Company Limited
Notes to the financial statements (continued)

13. Share Capital

	1993	1992
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called-up and fully paid:		
100 ordinary shares of £1 each	100	100

14. Contingent Liabilities

There is a contingent liability of £3,465,989 (1992: £602,908) secured by fixed and floating charges on the company's assets, in respect of guarantees given to Midland Bank plc in connection with loans and overdraft facilities afforded to Bletchley Motor Group PLC and its subsidiaries.

There is a contingent liability of £3,420,152 (1992: £4,101,950) in respect of guarantees given, with fellow subsidiaries, to finance companies for facilities afforded to certain fellow subsidiaries.

15. Pension Commitments

The company participates in the Motor Industry Pension Plans A & B. These are defined benefit schemes. Particulars of the actuarial valuations of the Pension Scheme are contained within the financial statements of the ultimate holding company, Bletchley Motor Group PLC.

16. Ultimate Holding Company

The ultimate holding company is Bletchley Motor Group PLC, which is registered in England and Wales.

Copies of the financial statements of Bletchley Motor Group PLC are available from:

BMG House
 Cranfield Road
 Wavendon
 Milton Keynes
 MK17 8LQ

Berkhamsted Motor Company LimitedStatement of Directors' Responsibilities

Company law requires the directors to prepare 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:

- o select suitable accounting policies and then apply them consistently;
- o make judgments and estimates that are reasonable and prudent;
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- o 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. The directors 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 Peat Marwick
to the members of Berkhamsted Motor Company Limited

We have audited the financial statements on pages 2 to 8.

Respective responsibilities of directors and auditors

As described on page 9 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 judgments 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

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick
Chartered Accountants
Registered Auditors
Milton Keynes
26th April 1994