

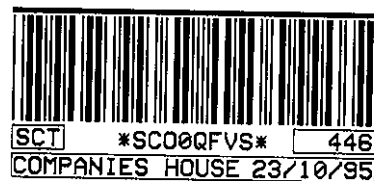
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HARRISON & HETHERINGTON
(VEHICLE AUCTIONS) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

3RD JUNE 1995



HARRISON & HETHERINGTON (VEHICLE AUCTIONS) LIMITED

DIRECTORS' REPORT

The Directors present their report and the accounts for the period ended 3rd June 1995.

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 of the company for that period. In preparing these 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;

Comply with applicable accounting standards 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Profits and dividends

The profit and appropriations are shown in the attached profit and loss account. A dividend of £50,000 has been paid to the holding company.

Review of the business

The principal activity of the company continues to be that of auctioneers of motor vehicles. The Directors consider the company's state of affairs to be satisfactory.

Directors

The Directors of the Company on 3rd June 1995, and the number of ordinary shares in Harrison and Hetherington Limited, in which they held an interest, as defined by the Companies Act, 1985, at that date were:-

HARRISON & HETHERINGTON (VEHICLE AUCTIONS) LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors (Continued)

	3rd June 1995	1st June 1994 or date of appointment if later
D.J. Thomlinson	5,376	2,868
J.W. Morton	3,000	3,000
J.N. Watson	138	62
R. C. Jackson		
(appointed 2/12/94)	483	170
D. H. J. Pritchard		
(appointed 2/12/94)	1,100	850

I.J. Heslop served as a director from 1st June 1994 until his resignation on 28th September 1994.

No Director holds any interest in the shares of Harrison and Hetherington (Vehicle Auctions) Limited which is a wholly owned subsidiary of Harrison and Hetherington Limited.

J.W. Morton retires by rotation and, being eligible, offers himself for re-election.

R.C. Jackson and D.H.J. Pritchard having been appointed since the last Annual General Meeting retire in accordance with the company's Articles of Association and, being eligible, offer themselves for re-election.

None of the Directors had any beneficial interest in any contract of significance to which the company was a party.

Auditors

A resolution to reappoint Messrs. Armstrong, Watson & Co. will be proposed at the Annual General Meeting.

By order of the board

R.C. JACKSON

Secretary

Borderway Mart,
Rosehill,
Carlisle.

24th August 1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF
HARRISON & HETHERINGTON (VEHICLE AUCTIONS) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared following the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 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

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 3rd June 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Carlisle,
24th August 1995


ARMSTRONG WATSON & CO.,
Chartered Accountants and
Registered Auditor.

HARRISON & HETHERINGTON (VEHICLE AUCTIONS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 3RD JUNE 1995

	Notes	1995 £	1994 £
THROUGHPUT	2	2,965,209	2,818,997
TURNOVER	2	192,734	187,543
Net Operating Expenses	3	(134,470)	(129,326)
OPERATING PROFIT	5	58,264	58,217
Interest payable	6	(989)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		57,275	58,217
Tax on Profit on Ordinary Activities	7	(14,566)	(14,554)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		42,709	43,663
Dividends	8	(50,000)	(35,000)
(LOSS)/RETAINED FOR PERIOD		(7,291)	8,663
Retentions from previous years		83,969	75,306
Retained profits carried forward		£76,678	£83,969

There are no recognised gains or losses
other than the loss for the period.

The company's turnover and expenses all
relate to continuing operations.

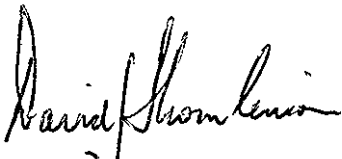
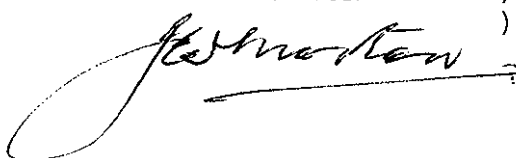
The notes on pages 6 to 9 form part of these accounts.

HARRISON AND HETHERINGTON (VEHICLE AUCTIONS) LIMITED

BALANCE SHEET AT 3RD JUNE 1995

	Notes	1995 £	1994 £
TANGIBLE FIXED ASSETS	9	1	1
CURRENT ASSETS			
Debtors	10	4,979	5,101
Cash at Bank and in Hand		232,239	214,747
CREDITORS (amounts falling due within one year)	11	237,218 (157,541)	219,848 (132,880)
NET CURRENT ASSETS		79,677	86,968
TOTAL ASSETS LESS CURRENT LIABILITIES		79,678	86,969
Provisions for Liabilities and Charges	12	(2,000)	(2,000)
		£77,678	£84,969
CAPITAL AND RESERVES			
Called Up Share Capital	13	1,000	1,000
Profit and Loss Account	14	76,678	83,969
TOTAL SHAREHOLDERS FUNDS		£77,678	£84,969

Approved by the board on 24th August 1995 and signed on its behalf by:-


 D.J. THOMLINSON)
 J.W. MORTON) Directors


The notes on pages 6 to 9 form part of these accounts.

HARRISON AND HETHERINGTON (VEHICLE AUCTIONS) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 3RD JUNE 1995

1. ACCOUNTING POLICIES

The accounts are prepared in accordance with applicable accounting standards.

Accounting convention

The accounts are prepared under the historical cost convention.

2. TURNOVER AND THROUGHPUT

Throughput represents the total of sales executed on behalf of clients by the company during the period.

Turnover represents all commissions, fees and other income to which the company is entitled to as auctioneers of motor vehicles in the United Kingdom.

3. NET OPERATING EXPENSES

Continuing 1995 £	Continuing 1994 £
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Administrative Expenses

£134,470	£129,326
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4. STAFF COSTS

1995 £	1994 £
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Wages and salaries

63,538	63,631
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Social security costs

8,787	3,894
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£72,325	£67,525
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Average number of employees:

5	4
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5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after the following amounts:-

1995 £	1994 £
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Auditors' remuneration

£900	£895
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HARRISON AND HETHERINGTON (VEHICLE AUCTIONS) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 3RD JUNE 1995

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

	1995 £	1994 £
Directors remuneration:-		
Fees	1,000	1,000
Emoluments	31,039	30,149
	<hr/>	<hr/>
	£32,039	£31,149
	<hr/>	<hr/>
Benefits in kind	£4,195	£3,774
	<hr/>	<hr/>

The number of Directors whose emoluments fall into brackets of £5,000 (excluding pension contributions) is as follows:-

	1995 No.	1994 No.
Nil - £5,000	4	3
£5,001 - £10,000	1	-
£20,001 - £25,000	-	1
£25,001 - £30,000	1	-
	<hr/>	<hr/>
	6	4
	<hr/>	<hr/>

The emoluments of the Chairman were £250 (1994 £250) and those of the highest paid Director including benefits in kind were £29,474 (1994 £28,163).

6. INTEREST PAYABLE

	1995 £	1994 £
Other interest	£989	£ -
	<hr/>	<hr/>

7. TAXATION

The charge for taxation is made up as follows:-

	1995 £	1994 £
Corporation tax at 25% (1994 25%)	£14,566	£14,554
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8. DIVIDENDS

	1995 £	1994 £
Final dividend paid	£50,000	£35,000
	<hr/>	<hr/>

HARRISON AND HETHERINGTON (VEHICLE AUCTIONS) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 3RD JUNE 1995

9. TANGIBLE FIXED ASSETS

	1995 £	1994 £
	<hr/>	<hr/>
Furniture and fittings at cost	382	382
Accumulated depreciation	(381)	(381)
	<hr/>	<hr/>
	£1	£1
	<hr/>	<hr/>

10. DEBTORS

	1995 £	1994 £
	<hr/>	<hr/>
Trade debtors	£4,979	£5,101
	<hr/>	<hr/>

11. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	1995 £	1994 £
	<hr/>	<hr/>
Corporation tax payable	14,566	14,554
Other taxes and social security costs	9,828	9,706
Accruals and deferred income	6,611	8,095
Amounts due to parent company	126,536	100,525
	<hr/>	<hr/>
	£157,541	£132,880
	<hr/>	<hr/>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	1995 £	1994 £
	<hr/>	<hr/>
Reserve for doubtful debts	£2,000	£2,000
	<hr/>	<hr/>

13. SHARE CAPITAL

	1995 £	1994 £
	<hr/>	<hr/>
<u>Authorised</u>		
£1 Ordinary shares	£10,000	£10,000
	<hr/>	<hr/>
<u>Allotted, Issued and fully paid</u>		
£1 Ordinary shares	£1,000	£1,000
	<hr/>	<hr/>

HARRISON & HETHERINGTON (VEHICLE AUCTIONS) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 3RD JUNE 1995

14. RESERVES AND RECONCILIATION OF OPENING AND CLOSING SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	1995 Total Shareholders Funds £	1994 Total Shareholders Funds £
At 1st June 1994	1,000	83,969	84,969	76,306
Profit for financial period	-	42,709	42,709	43,663
Dividends	-	(50,000)	(50,000)	(35,000)
At 3rd June 1995	£1,000	£76,678	£77,678	£84,969

15. PARENT COMPANY

The Directors consider Harrison & Hetherington Limited, registered in England, to be the ultimate parent company of Harrison and Hetherington (Vehicle Auctions) Limited.

16. CONTINGENT LIABILITY

The company is party to an unlimited cross guarantee with the parent company in respect of bank borrowings.