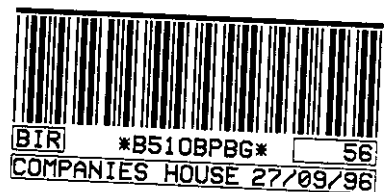


BRISTOL STREET BROMLEY LIMITED
(formerly Bristol Street Motors (Bromley) Limited)
REPORT AND FINANCIAL STATEMENTS

31 December 1995

Registered number 634024



BRISTOL STREET BROMLEY LIMITED

DIRECTORS' REPORT

31 December 1995

The directors present their annual report and the financial statements for the year ended 31 December 1995.

Results and dividends

The profit for the year after taxation amounted to £298,013. It is recommended that no dividend be paid and that the profit of £298,013 be transferred to reserves.

Review of business

The principal activities of the company continue to be those of motor vehicle dealers.

The turnover for the year at £33,484,477 was 1.4% higher than the previous year. The profit on ordinary activities before taxation amounted to £448,368 compared with a profit of £315,528 in the previous year.

The directors consider the state of affairs of the company to be satisfactory.

Change of name

On 1 January 1996 the company changed its name to Bristol Street Bromley Limited.

Fixed assets

The movements in tangible fixed assets during the year are set out in the notes to the financial statements.

Directors

The following were directors of the company at 31 December 1995

R.E.C. Marton) Directors of B.S.G.
P. Turnbull) International plc
J.B. Tustain)
P.R. Williams
J.R.H. McHutchison
J.R. Owen

On 31 October 1995 Mr. A.D. Dawson resigned as a director of the company and Mr. P. Turnbull was appointed in his place.

In accordance with the Articles of Association none of the directors retire.

BRISTOL STREET BROMLEY LIMITED

DIRECTORS' REPORT

31 December 1995

(continued)

Directors' shareholdings

None of the directors have any beneficial interest in the share capital of the company.

The directors of the ultimate parent undertaking disclose their interests in the share capital of B.S.G. International plc in the financial statements of that company. None of the other directors have any beneficial interest in the share capital of B.S.G. International plc.

The directors (other than directors of the ultimate parent undertaking) holding options under the B.S.G. International plc Executive Share Option Scheme 1985 are as follows

	31 December 1995 Ordinary shares of 10p each	31 December 1994 Ordinary shares of 10p each
P.R. Williams	100,985	50,985
J.R.H. McHutchinson	100,000	100,000

Officers' insurance

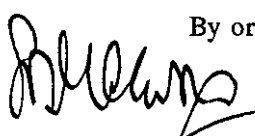
The company has purchased and maintained insurance to cover its officers against liabilities in relation to their duties to the company.

Auditors

The company has elected to dispense with the annual re-appointment of auditors and in the absence of a specific resolution to the contrary Kidsons Impey will continue in office.

Registered Office

Bristol Street House
1270 Coventry Road
Birmingham B25 8BB

By order of the board
 S.D. McCaslin
for B.S.G. Secretarial Services Limited

Secretary

28 March 1996

BRISTOL STREET BROMLEY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 1995

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of the profit or loss for that year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- follow applicable accounting standards.

They are also responsible:

- for ensuring that the company keeps adequate accounting records
- to the company for safeguarding the company's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRISTOL STREET BROMLEY LIMITED

AUDITORS' REPORT

Auditors' report to the shareholders of Bristol Street Bromley Limited

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 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.

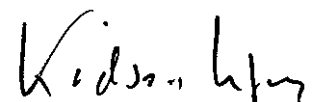
Basis of opinion

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 at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

28 March 1996

KIDSONS IMPEY

BRISTOL STREET BROMLEY LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1995

	Note	1995 £	1994 £
Turnover	2	33,484,477	33,036,015
Cost of sales		(28,068,113)	(28,134,218)
Gross profit		<u>5,416,364</u>	<u>4,901,797</u>
Distribution costs		(3,683,579)	(3,431,794)
Administrative expenses		(1,078,542)	(952,017)
Other operating income		-	2,667
Operating profit	3	<u>654,243</u>	<u>520,653</u>
Interest payable (net)	4	(205,875)	(205,125)
Profit on ordinary activities before taxation		<u>448,368</u>	<u>315,528</u>
Taxation	6	(150,355)	(96,664)
Retained profit for the year	14	<u><u>298,013</u></u>	<u><u>218,864</u></u>

BRISTOL STREET BROMLEY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

31 December 1995

	1995	1994
	£	£
Profit for the financial year	298,013	218,864
Unrealised deficit on revaluation of properties	<u>-</u>	<u>(395,268)</u>
Total recognised gains and losses relating to the year	<u>298,013</u>	<u>(176,404)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995	1994
	£	£
Total recognised gains and losses for the year	298,013	(176,404)
Opening shareholders funds	<u>3,733,982</u>	<u>3,910,386</u>
Closing shareholders funds	<u>4,031,995</u>	<u>3,733,982</u>

BRISTOL STREET BROMLEY LIMITED

BALANCE SHEET

at 31 December 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	7		4,632,475		4,743,673
Current assets					
Stocks	8	2,585,369		1,593,702	
Debtors	9	2,129,378		2,411,158	
Cash at bank and in hand		<u>1,750</u>		<u>1,805</u>	
			4,716,497		4,006,665
Creditors: amounts falling due within one year	10	<u>(4,805,152)</u>		<u>(4,598,704)</u>	
Net current liabilities			<u>(88,655)</u>		<u>(592,039)</u>
Total assets less current liabilities			4,543,820		4,151,634
Creditors: amounts falling due after more than one year	11		(467,825)		(367,652)
Provision for liabilities and charges					
Deferred tax	12		<u>(44,000)</u>		<u>(50,000)</u>
			4,031,995		3,733,982
			<u><u>4,031,995</u></u>		<u><u>3,733,982</u></u>
Capital and reserves (equity)					
Called up share capital	13		50,000		50,000
Revaluation reserve	14		2,048,043		2,048,043
Profit and loss account	14		<u>1,933,952</u>		<u>1,635,939</u>
Total shareholders' funds			4,031,995		3,733,982
			<u><u>4,031,995</u></u>		<u><u>3,733,982</u></u>

The financial statements on pages 5 to 15 were approved by the board of directors on 28 March 1996


P. Turnbull - Director

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of freehold property.

Depreciation

Depreciation is calculated on cost or revalued amounts on a straight line basis to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows

	%
Plant	10-33.33
Vehicles	25-50
Office equipment	10 - 33.33
Computer equipment	33.33 - 100

It is the company's policy to maintain freehold property in such condition that the residual value, based on the price prevailing at the time of acquisition or subsequent valuation, is at least equal to book value. Having regard to this it is the opinion of the directors that depreciation of any such freehold property as required by the Companies Act 1985 and accounting standards would not be material and accordingly none is provided.

Stocks

The basis of valuation is the lower of cost and estimated realisable value. Cost includes materials, direct labour and production overheads where appropriate.

Vehicle repurchase commitments

The company has arrangements with customers which include a commitment to repurchase vehicles at a future date at a pre-determined price. The residual interest in these vehicles is now included in stocks, with the corresponding liability included in creditors. Comparative figures have been restated accordingly.

Leases

Assets held under hire purchase contracts are capitalised as tangible fixed assets and depreciated over the shorter of the term of the lease, including any secondary period, and the useful economic life based upon the depreciation policies above. The obligation to pay future rentals is included in creditors net of interest charges allocated to future periods. The finance charge element of rentals is calculated on the reducing balance of capital outstanding and charged to the appropriate accounting period through the profit and loss account.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where such timing differences are anticipated to continue for the foreseeable future no provision is made.

Pensions

The ultimate parent undertaking operates a number of defined benefit pension schemes for its employees. All the schemes are funded; liabilities are provided on a systematic basis over the period of employment of scheme members. Variations disclosed by actuarial valuations are spread over the average remaining service lives of current scheme members.

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

1 Principal accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 as it is a wholly owned subsidiary undertaking and the ultimate parent undertaking publishes consolidated financial statements which include a consolidated cash flow statement.

2 Turnover

Turnover represents the invoiced value excluding value added tax of goods sold and services provided to customers.

The turnover and loss before taxation are attributable to the principal activities of the company, being those of motor vehicle dealers and relate wholly to continuing operations in the United Kingdom.

3 Operating profit

	1995	1994
	£	£
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
- Owned assets	143,146	249,259
	<u> </u>	<u> </u>
(Profit)/loss on sale of tangible fixed assets	(234)	1,864
Auditors' remuneration		
- Audit fees	16,730	16,075
- Other services	950	925
Operating lease rentals		
- Hire of plant and machinery	195,232	59,827
Redundancy costs	-	70,500
	<u> </u>	<u> </u>

4 Interest payable (net)

Interest payable on loans repayable within 5 years

Bank overdraft	191,103	188,645
Short term loan	<u>14,772</u>	<u>27,748</u>
	205,875	216,393
Interest receivable		
Other interest receivable	<u> </u>	<u>(11,268)</u>
	<u>205,875</u>	<u>205,125</u>

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

5	Directors and employees	1995	1994
		£	£
	Staff costs including directors' emoluments		
	Wages and salaries	2,436,227	2,216,128
	Social security costs	233,038	215,634
	Pension costs	<u>12,666</u>	<u>7,817</u>
		<u>2,681,931</u>	<u>2,439,579</u>
	Average number of persons employed including executive directors	Number	Number
	Production	45	39
	Sales and distribution	79	75
	Administration	<u>19</u>	<u>18</u>
		143	132
		<u> </u>	<u> </u>
	Directors' emoluments	£	£
	For management	120,972	110,180
		<u> </u>	<u> </u>
	Emoluments excluding pension contributions are analysed as follows		
	Chairman	Nil	Nil
		<u> </u>	<u> </u>
	Highest paid director	73,815	68,292
		<u> </u>	<u> </u>
	Directors' emoluments were within the ranges	Number	Number
	£0 - £5,000	5	4
	£40,001 - £45,000	1	1
	£65,001 - £70,000	-	1
	£70,001 - £75,000	1	-

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

6	Taxation		1995 £	1994 £
	The taxation charge comprises			
	U.K. corporation tax at 33% (1994 33%)		156,000	137,000
	Deferred tax		(6,000)	(40,000)
	Prior year's adjustment			
	- corporation tax		355	664
	- deferred tax		-	(1,000)
			150,355	96,664
			150,355	96,664
7	Tangible fixed assets	Freehold property	Plant and vehicles	Total
	Cost or valuation	£	£	£
	1 January 1995	4,250,000	1,078,376	5,328,376
	Reclassification	-	(115,661)	(115,661)
	Additions	-	176,715	176,715
	Disposals	-	(90,649)	(90,649)
	31 December 1995	4,250,000	1,048,781	5,298,781
	Depreciation			
	1 January 1995	-	584,703	584,703
	Reclassification	-	(15,824)	(15,824)
	Charge for the year	-	143,146	143,146
	Disposals	-	(45,719)	(45,719)
	31 December 1995	-	666,306	666,306
	Net book amount			
	31 December 1995	4,250,000	382,475	4,632,475
	31 December 1994	4,250,000	493,673	4,743,673

The reclassification included in plant and vehicles represents drive hire vehicles now treated as stock due to the short-term nature of these assets.

All tangible fixed assets are shown at cost with the exception of freehold property which comprises £4,250,000 at valuation on 31 December 1994.

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

7 Tangible fixed assets (continued)

Historical cost information	1995	1994
	£	£
Historical cost of freehold property	2,201,957	2,201,957
Accumulated depreciation based on cost	<u> -</u>	<u> -</u>
Net book amount	<u>2,201,957</u>	<u>2,201,957</u>

8 Stocks

Vehicle and accessory stock	1,907,704	1,002,627
Work in progress	46,328	9,511
Residual interest in buy back vehicles	<u>631,337</u>	<u>581,564</u>
	<u>2,585,369</u>	<u>1,593,702</u>

The company held £4,636,841 of consignment stock as at 31 December 1995 (1994 £5,681,796) which is not recorded in the balance sheet. The principal terms of the consignment agreements, which can generally be terminated by either side, are such that the company can return any or all of the stock to the relevant suppliers without financial or commercial penalties and the supplier can vary stock prices.

The company has arrangements with customers which include a commitment to repurchase vehicles at a future date at a pre-determined price. To comply with FRS5 the residual interest in these vehicles is included in stocks with the corresponding liability included in creditors. Comparative figures have been restated accordingly.

9 Debtors

	£	£
Trade debtors	1,239,008	1,156,406
Deposits with motor manufacturers (note)	233,321	918,420
Amounts owed by fellow subsidiaries	44,330	39,966
Other debtors	76,418	2,832
Prepayments and accrued income	<u>536,301</u>	<u>293,534</u>
	<u>2,129,378</u>	<u>2,411,158</u>

Deposits with motor manufacturers are amounts paid as deposits for vehicles held on sale or return as detailed in note 8.

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

10	Creditors: amounts falling due within one year	1995	1994
		£	£
	Trade creditors	1,065,440	702,300
	Amount owed to ultimate parent undertaking	2,974,353	3,063,424
	Amounts owed to fellow subsidiaries	61,705	41,603
	Corporation tax payable	156,000	137,000
	Finance lease and hire purchase obligations	-	200
	Vehicle repurchase commitments	163,512	213,912
	Other taxes and social security	84,275	180,954
	Accruals	<u>299,867</u>	<u>259,311</u>
		<u>4,805,152</u>	<u>4,598,704</u>
		=====	=====
11	Creditors: amounts falling due after more than one year		
	Vehicle repurchase commitments	467,825	367,652
		=====	=====

12 **Deferred tax**

The deferred tax liability at 31 December 1995 arising on timing differences, calculated on the liability method at 33% (1994 33%) is as follows:

	Potential	1995	Potential	1994
	liability	Amount	liability	Amount
	£	£	£	£
Accelerated capital allowances	44,000	44,000	50,000	50,000
Industrial buildings allowances	<u>54,000</u>	-	<u>54,000</u>	-
	98,000	44,000	104,000	50,000
	=====	=====	=====	=====

The potential liability which might arise on properties being sold at their revalued amounts has not been quantified as the directors have no present intention of disposing of the properties.

13	Called up share capital (1995 and 1994)		
		Authorised	Issued and
		£	fully paid
			£
	Ordinary shares of £1 each	50,000	50,000
		=====	=====

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

14	Reserves	Revaluation reserve	Profit and loss account	Total
		£	£	£
	Balance at 1 January 1995	2,048,043	1,635,939	3,683,982
	Retained profit for the year	<u>-</u>	<u>298,013</u>	<u>298,013</u>
	Balance at 31 December 1995	<u>2,048,043</u>	<u>1,933,952</u>	<u>3,981,995</u>

15 **Transactions involving directors**

Directors' interest in contracts

No director, either during or at the end of the financial year, was materially interested in any significant contract to which the company was a party.

16 **Capital commitments**

Capital expenditure authorised up to 31 December 1995 but not provided in these financial statements amounted to £Nil (1994 £Nil) in respect of which contracts for £Nil (1994 £Nil) had been placed.

17 **Leasing obligations**

Financial commitments under operating leases will result in the following payments falling due in the year to 31 December 1996

Date of lease expiry	Land and buildings	Other
	£	£
1997	-	2,830
1998 to 2000	-	9,413
After 2000	<u>3,000</u>	<u>5,292</u>
Total payable in 1996	<u>3,000</u>	<u>17,535</u>

BRISTOL STREET BROMLEY LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

18 Contingent liabilities

The company has given a joint and several guarantee in respect of the ultimate parent undertaking's indebtedness to Barclays Bank PLC.

19 Pensions

Pension costs have been assessed in accordance with advice received from the actuary to the schemes on the basis of reviews carried out for the purpose of Statement of Standard Accounting Practice No.24. Pension costs were assessed using the projected unit actuarial costing method based on assumptions including a long term rate of investment return on assets of 9% per annum, a general rate of increase in members' earnings 2% less than this figure, pension increases in accordance with the scheme rules and appropriate allowances for mortality, members leaving service and early retirements.

Actuarial valuations of all schemes are carried out triennially and full details of the valuation at 31 March 1995 appear in the published financial statements of the ultimate parent undertaking.

20 Immediate and intermediate parent undertaking

The company is a wholly owned subsidiary of Bristol Street First Investments Limited, which itself is a wholly owned subsidiary of an intermediate parent undertaking Bristol Street Limited.

21 Ultimate parent undertaking

The ultimate parent undertaking is B.S.G. International plc, a company incorporated in England. The ultimate parent undertaking is a publicly quoted company and copies of its published accounts are available from Seton House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DE.