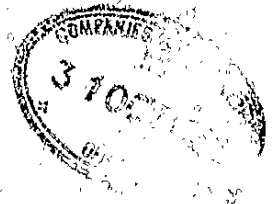


Financial Statements

634024/
86

BRISTOL STREET MOTORS (BROMLEY) LIMITED

31st DECEMBER, 1984



KIDSONS
CHARTERED ACCOUNTANTS
A MEMBER FIRM OF DFK INTERNATIONAL

634024/
86

BRISTOL STREET MOTORS (BROMLEY) LIMITED

31st DECEMBER, 1984



BRISTOL STREET MOTORS (BROMLEY) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st December, 1984.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £218,084. It is recommended that a dividend of £175,000 be paid and £43,084 be transferred to reserves.

REVIEW OF BUSINESS

The principal activity of the company continues to be that of motor vehicle dealers.

The turnover for the year at £16,317,310 was 6.5% lower than the previous year and the trading profit at £367,486 showed a decrease of 6.2%. Profit on ordinary activities before taxation amounted to £218,084 compared with £216,609 in the previous year. No taxation is chargeable on the profit for the year due to tax losses brought forward.

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

DIRECTORS

The following were directors of the company at 31st December, 1984;

Mr. T.C. Cannon) Directors of B.S.G.
Mr. A.D. Dawson) International plc
Mr. N. Lawley
Mr. T.C. Stokes

All the directors served for the whole of the year.

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

DIRECTORS' SHAREHOLDINGS

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

The beneficial interests of the directors in the shares of B.S.G. International plc (other than directors of that company) are set out below:

<u>Director</u>	Ordinary shares of 10p each	
	<u>1984</u>	<u>1983</u>
Mr. N. Lawley	2,500	1,250
Mr. T.C. Stokes	Nil	Nil

BRISTOL STREET MOTORS (BROMLEY) LIMITED

DIRECTORS' REPORT

FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the financial statements.

CLOSE COMPANY PROVISIONS

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1970 as amended.

AUDITORS

The auditors, Messrs. Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

Registered Office:

Victory House,
Masons Hill,
Bromley,
Kent, BR2 9HS

25th March, 1985

By Order *R* of the Board,

R. Thorne,

for B.S.G. Secretarial Services Limited,

Secretary.

REPORT OF THE AUDITORS TO THE MEMBERS OF
BRISTOL STREET MOTORS (BROMLEY) LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, give a true and fair view of the state of the company's affairs at 31st December, 1984 and of its result for the year ended on that date and comply with the Companies Acts 1948 to 1981. The financial statements do not show the manner in which the operations of the company have been financed or in which its financial resources have been used during the year as required by Statement of Standard Accounting Practice No.10 as such information is of little value as a result of the parent company's financial structuring of its subsidiary companies.

BIRMINGHAM

25th March, 1985

KIDSONS,

Chartered Accountants

BRISTOL STREET MOTORS (BROMLEY) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31st DECEMBER, 1984

1983

	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER	2	16,317,310	17,461,287
Cost of sales		(13,851,991)	(15,037,179)
GROSS PROFIT		2,465,319	2,424,108
Distribution costs		(1,669,245)	(1,601,440)
Administrative expenses		(428,588)	(430,661)
TRADING PROFIT		367,486	392,007
Interest payable	3	(149,402)	(175,398)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	218,084	216,609
Taxation	7	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		218,084	216,609
Dividends	8	(175,000)	-
RETAINED PROFIT FOR THE YEAR	15	43,084	216,609

Notes on financial statements - pages 6 to 11

BRISTOL STREET MOTORS (BROMLEY) LIMITED

BALANCE SHEET

31st DECEMBER, 1984

1983

	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible assets	9		878,514		861,833
CURRENT ASSETS					
Stocks	10	822,292		870,987	
Debtors	11	749,487		609,868	
Cash and short-term deposits	12	799		1,227	
		<u>1,572,578</u>		<u>1,482,082</u>	
CREDITORS					
Amounts falling due within one year	13	(1,869,851)		(1,805,758)	
NET CURRENT LIABILITIES			(297,273)		(323,676)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>581,241</u>		<u>538,157</u>
CAPITAL AND RESERVES					
Called up share capital	14		50,000		50,000
Revaluation reserves	15		286,289		286,289
Profit and loss account	15		244,952		201,868
			<u>581,241</u>		<u>538,157</u>

The financial statements were approved by the Board of Directors on 25th March, 1985

T.C. Cannon

Directors

A.D. Dawson

Notes on financial statements - pages 6 to 11

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1984

1. ACCOUNTING POLICIES

a. Basis of accounting

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain properties.

b. 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%
Vehicles	25%
Office equipment	10%
Leasehold properties - Amortised over the unexpired portion of the lease	

Dealership freehold properties are not depreciated as it is the group's policy to maintain properties used by dealerships in such condition that their value, taken as a whole, is not impaired by the passage of time.

c. Stocks

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

d. 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 it can be shown with reasonable probability that no such liability will become payable in the foreseeable future no provision is made.

2. TURNOVER

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

The turnover and profit before taxation is attributable to the principal activity of the company, being motor dealers.

Turnover relates wholly to the United Kingdom.

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1984

3. INTEREST PAYABLE		
Interest payable on loans repayable within 5 years:	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Bank overdraft	59,920	85,651
Short term loan	89,482	89,747
	<u>149,402</u>	<u>175,398</u>
4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1984</u>	<u>1983</u>
Profit on ordinary activities before taxation is stated after charging:	<u>£</u>	<u>£</u>
Depreciation	16,889	31,663
Directors' emoluments (see note 5)	44,981	40,964
Auditors' remuneration	7,000	6,300
Hire of plant and machinery	172,446	100,511
	<u> </u>	<u> </u>
and after crediting:		
Profit on sale of fixed assets	38	911
	<u> </u>	<u> </u>
5. DIRECTORS' EMOLUMENTS	<u>1984</u>	<u>1983</u>
For management (including pension contributions)	<u>£</u>	<u>£</u>
	44,981	40,964
	<u> </u>	<u> </u>
Emoluments, excluding pension contributions are analysed as follows:		
Chairman	Nil	Nil
	<u> </u>	<u> </u>
Highest paid director	43,241	39,711
	<u> </u>	<u> </u>
Number of other directors whose emoluments were within the range:	<u>Nos.</u>	<u>Nos.</u>
£0 - £5,000	2	3

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1984

6. STAFF NUMBERS AND COSTS

a. The average number of persons, including directors, employed by the company during the year was:

	<u>1984</u>	<u>1983</u>
Production	37	42
Sales and distribution	85	82
Administration	<u>19</u>	<u>20</u>
	141	144
	<u>==</u>	<u>==</u>

b. The aggregate costs of employment were as follows:

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,235,692	1,112,803
Social security costs	121,205	112,858
Pension costs	<u>3,984</u>	<u>3,724</u>
	1,360,881	1,229,385
	<u>==</u>	<u>==</u>

7. TAXATION

No taxation is chargeable on the profit for the year due to tax losses brought forward.

8. DIVIDENDS

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Ordinary shares	175,000	Nil
	<u>==</u>	<u>==</u>

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1984

9. TANGIBLE ASSETS	Land and Buildings		Plant, Machinery Equipment and Motor Vehicles	Total
	Freehold	Short Leasehold		
Cost or valuation:	£	£	£	£
1st January, 1984	779,009	11,000	182,652	972,661
Additions	6,409	-	33,190	39,599
Disposals	-	-	(78,672)	(78,672)
Internal transfers	-	-	18,583	18,583
31st December, 1984	785,418	11,000	155,753	952,171
Depreciation:				
1st January, 1984	-	3,143	107,685	110,828
Charge for year	-	1,848	15,041	16,889
Disposals	-	-	(55,827)	(55,827)
Internal transfers	-	-	1,767	1,767
31st December, 1984	-	4,991	68,666	73,657
Net book amount:				
31st December, 1984	785,418	6,009	87,087	878,514
31st December, 1983	779,009	7,857	74,967	861,833

All fixed assets are shown at cost with the exception of freehold land and buildings which comprise £735,000 at valuation in 1978 and subsequent additions at cost of £50,418.

If the properties had not been revalued they would have been included at the following amounts:

	Freehold Property	Leasehold Property
	£	£
Cost at 31st December, 1984	499,129	11,000
Depreciation	-	4,991
Net book value at 31st December, 1984	499,129	6,009
Net book value at 31st December, 1983	492,720	7,857

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1984

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
10. STOCKS		
Vehicle and accessory stocks	804,609	860,257
Work in progress	17,683	10,730
	<u>822,292</u>	<u>870,987</u>
11. DEBTORS	<u>1984</u>	<u>1983</u>
Amounts falling due within one year:	<u>£</u>	<u>£</u>
Trade debtors	710,918	544,932
Amounts owed by fellow subsidiaries	10,038	43,977
Prepayments	28,531	20,959
Total debtors	<u>749,487</u>	<u>609,868</u>

	<u>1984</u>		<u>1983</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
12. CASH AND SHORT TERM DEPOSITS				
Cash at bank and in hand		799		1,227
Short term deposits	945,135		944,809	
Less related short term loans	945,135	-	944,809	-
		<u>799</u>		<u>1,227</u>

Short term deposits above have been reduced by related short term loans where a right of set off exists between a vehicle manufacturer with whom certain deposits are lodged and the provider of the related loans.

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
13. CREDITORS		
Amounts falling due within one year:	<u>£</u>	<u>£</u>
Short term loan (see note)	350,000	-
Trade creditors	703,397	502,600
Amount owed to holding company	496,985	957,116
Amounts owed to fellow subsidiaries	43,428	100,302
Other taxes and social security	104,896	70,150
Accruals	171,145	175,590
Total creditors	<u>1,869,851</u>	<u>1,805,758</u>

Note: The short term loan is secured by a floating charge over used vehicle stocks.

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1984

	Authorised	Issued and Fully Paid
	£	£
14. CALLED UP SHARE CAPITAL (1984 and 1983)		
Ordinary shares of £1 each	50,000	50,000
	Revaluation Reserves	Profit and Loss Account
15. RESERVES	£	£
Balance 1st January, 1984	286,289	201,868
Retained profit for the year	-	43,084
Balance 31st December, 1984	286,289	244,952
16. POTENTIAL LIABILITY FOR DEFERRED TAX		
The potential liability in respect of accelerated capital allowances is covered by taxation losses carried forward.		
17. TRANSACTIONS INVOLVING DIRECTORS		
Directors' interest in contracts		
No director has had any beneficial interest in any material contract to which the company was a party.		
18. CAPITAL COMMITMENTS		
Capital expenditure authorised up to 31st December, 1984 but not provided in these financial statements to £250,000 (1983 £Nil) in respect of which contracts for £Nil (1983 £Nil) had been placed.		
19. CONTINGENT LIABILITIES		
a. The company has given a joint and several guarantee secured by a fixed first charge on its book and other debts in respect of the holding company's indebtedness to Barclays Bank PLC.		
b. Certain freehold properties of the company together with those of certain other fellow subsidiary companies are subject to a charge to secure the debenture stock of the holding company.		
20. ULTIMATE HOLDING COMPANY		
The company is a direct subsidiary of B.S.G. International plc, a company incorporated in Great Britain.		