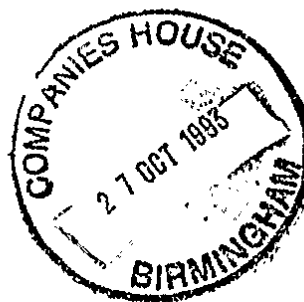


BRISTOL STREET MOTORS (BROMLEY) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 1992

Registered number 634024



BRISTOL STREET MOTORS (BROMLEY) LIMITED

DIRECTORS' REPORT

31 December 1992

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1992.

Results and dividends

The loss for the year after taxation amounted to £74,400. It is recommended that no dividend be paid and that the loss of £74,400 be set against reserves.

Review of business

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

The turnover for the year at £21,731,696 was 4% lower than the previous year and the trading profit at £172,995 showed a decrease of 69%. The loss on ordinary activities before taxation amounted to £57,576 compared with a profit of £261,567 in the previous year.

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

Fixed assets

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

Revaluations of the freehold property are carried out periodically with the last revaluation being at the end of 1989. Although property values may fall in recessionary periods no adjustment is made to the valuations where the fall is not considered to be of a permanent nature.

Directors

The following were directors of the company at 31 December 1992

Mr. T.C. Cannon) Directors of B.S.G.
Mr. A.D. Dawson) International plc
Mr. J.B. Tustain)
Mr. J. McHutchison

Mr. T.C. Stokes resigned as a director of the company on 12 June 1992.

Mr. J. McHutchison was appointed as a director of the company on 29 June 1992.

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

BRISTOL STREET MOTORS (BROMLEY) LIMITED

DIRECTORS' REPORT

31 December 1992
(continued)

Directors' shareholdings

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

The directors of the parent undertaking disclose their interests in the shares of B.S.G. International plc in the financial statements of that company. Mr. J. McHutchinson has no interest in the share capital of B.S.G. International plc.

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

93 Masons Hill
Bromley
Kent BR2 9HS

By order of the board


R. Thorne

for B.S.G. Secretarial Services Limited

Secretary

23 March 1993

KIDSONS IMPEY

BRISTOL STREET MOTORS (BROMLEY) LIMITED

AUDITORS' REPORT

Auditors report to the members of Bristol Street Motors (Bromley) Limited

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the company at 31 December 1992 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey

Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

23 March 1993

BRISTOL STREET MOTORS (BROMLEY) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1992

| | Note | 1992 £ | 1991 £ |
|---|------|---------------------|---------------------|
| Turnover | 2 | 21,731,696 | 22,742,146 |
| Cost of sales | | <u>(17,897,476)</u> | <u>(18,258,561)</u> |
| Gross profit | | 3,834,220 | 4,483,585 |
| Distribution costs | | (2,805,143) | (3,136,850) |
| Administrative expenses | | <u>(856,082)</u> | <u>(792,911)</u> |
| Trading profit | 3 | 172,995 | 553,824 |
| Interest payable | 4 | <u>(230,571)</u> | <u>(292,257)</u> |
| (Loss)/profit on ordinary activities before taxation | | (57,576) | 261,567 |
| Taxation charge | 6 | <u>(16,824)</u> | <u>(91,194)</u> |
| (Loss)/profit on ordinary activities after taxation | | (74,400) | 170,373 |
| Dividends | 7 | — | <u>(250,000)</u> |
| Retained loss for the year | 16 | <u>(74,400)</u> | <u>(79,627)</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

BALANCE SHEET

at 31 December 1992

| | Note | 1992 | | 1991 | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 5,128,249 | | 5,198,994 |
| Current assets | | | | | |
| Stocks | 9 | 983,341 | | 1,279,406 | |
| Debtors | 10 | 1,322,689 | | 825,796 | |
| Cash and short-term deposits | 11 | <u>599,597</u> | | <u>680,228</u> | |
| | | 2,905,627 | | 2,785,430 | |
| Creditors: amounts falling due within one year | 12 | <u>(4,323,530)</u> | | <u>(4,243,684)</u> | |
| Net current liabilities | | | <u>(1,417,903)</u> | | <u>(1,458,254)</u> |
| Total assets less current liabilities | | | 3,710,346 | | 3,740,740 |
| Creditors: amounts falling due after more than one year | 13 | | (1,845) | | (2,839) |
| Provisions for liabilities and charges | | | | | |
| Deferred taxation | 14 | | <u>(45,000)</u> | | <u>-</u> |
| | | | 3,663,501 | | 3,737,901 |
| Capital and reserves | | | | | |
| Called up share capital | 15 | | 50,000 | | 50,000 |
| Revaluation reserves | 16 | | 2,443,311 | | 2,443,311 |
| Profit and loss account | 16 | | <u>1,170,190</u> | | <u>1,244,590</u> |
| | | | 3,663,501 | | 3,737,901 |

The financial statements on pages 4 to 12 were approved by the board of directors on 23 March 1993



A.D. Dawson - Director

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules 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 |
| Vehicles | 25 |
| Office equipment | 10 |
| Computer equipment | 23.33 |

Dealership freehold buildings are not depreciated as it is the group's policy to maintain buildings used by the dealerships in such condition that their residual value, taken as a whole, is at least equal to book value.

Stocks

The basis of valuation is the lower of cost and estimated realisable value. Cost includes materials, direct labour and production overheads where appropriate. Stocks include vehicles on sale or return.

Leases

Assets held under finance leases 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 finance 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 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 MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992
(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 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.

Turnover relates wholly to the United Kingdom.

| 3 Trading profit | 1992 £ | 1991 £ |
|--|----------------|----------------|
| Trading profit is stated after charging | | |
| Depreciation of tangible fixed assets | | |
| - Owned assets | 121,604 | 137,263 |
| - Assets held under finance leases | <u>1,504</u> | <u>1,500</u> |
| | <u>123,108</u> | <u>138,763</u> |
| (Profit)/loss on disposal of tangible fixed assets | (568) | 1,469 |
| Auditors' remuneration | | |
| - Audit fee | 19,500 | 19,500 |
| - Other services | 850 | 850 |
| Operating lease rentals | | |
| - Hire of plant and vehicles | 87,615 | 114,940 |
| Redundancy costs | <u>156,400</u> | <u>-</u> |
| | | |
| 4 Interest payable | | |
| Interest payable on loans repayable within 5 years | | |
| Bank overdraft | 228,573 | 290,014 |
| Short term loans | <u>1,998</u> | <u>2,243</u> |
| | <u>230,571</u> | <u>292,257</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992
(continued)

| | | | |
|---|--|------------------|------------------|
| 5 | Directors and employees | 1992 £ | 1991 £ |
| | Staff costs including directors' emoluments | | |
| | Wages and salaries | 1,992,002 | 2,242,637 |
| | Social security costs | 192,945 | 224,355 |
| | Pension costs | <u>10,767</u> | <u>12,497</u> |
| | | <u>2,195,714</u> | <u>2,479,489</u> |
| | Average number of persons employed including executive directors | Number | Number |
| | Production | 35 | 36 |
| | Sales and distribution | 93 | 110 |
| | Administration | <u>17</u> | <u>18</u> |
| | | <u>145</u> | <u>164</u> |
| | Directors' emoluments | £ | £ |
| | For management | 55,539 | 55,637 |
| | Compensation for loss of office | <u>50,000</u> | <u>-</u> |
| | | <u>105,539</u> | <u>55,637</u> |
| | Emoluments excluding pension contributions are analysed as follows | | |
| | Chairman | Nil | Nil |
| | Highest paid director | <u>28,266</u> | <u>52,897</u> |
| | Number of other directors whose emoluments were within the range | Number | Number |
| | £0 - £5,000 | 2 | 2 |
| | £25,001 - £30,000 | 1 | - |
| | | - | - |
| 6 | Taxation | £ | £ |
| | The taxation charge comprises | | |
| | U.K. corporation tax credit at 33% (1991 charge 33.25%) | (26,000) | 85,000 |
| | Deferred tax | 45,000 | - |
| | Prior year's adjustment - corporation tax | <u>(2,176)</u> | <u>6,194</u> |
| | | <u>16,824</u> | <u>91,194</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992
(continued)

| 7 | Dividends | | 1992 £ | 1991 £ |
|---|---|--------------------------|---------------------------|--------------|
| | Dividend paid on ordinary shares (£5.00 per share 1991) | | - | 250,000 |
| 8 | Tangible fixed assets | Freehold property | Plant and vehicles | Total |
| | Cost or valuation | £ | £ | £ |
| | 1 January 1992 | 4,624,579 | 883,870 | 5,508,449 |
| | Additions | 14,972 | 111,350 | 126,322 |
| | Disposals | - | (107,862) | (107,862) |
| | 31 December 1992 | 4,639,551 | 887,358 | 5,526,909 |
| | Depreciation | | | |
| | 1 January 1992 | - | 309,455 | 309,455 |
| | Charge for year | - | 123,108 | 123,108 |
| | Disposals | - | (33,903) | (33,903) |
| | 31 December 1992 | - | 398,660 | 398,660 |
| | Net book amount | | | |
| | 31 December 1992 | 4,639,551 | 488,698 | 5,128,249 |
| | 31 December 1991 | 4,624,579 | 574,415 | 5,198,994 |

The net book amount of plant and vehicles includes £999 (1991 £2,503) in respect of assets held under finance leases.

All tangible fixed assets are shown at cost with the exception of freehold property which comprises £4,250,000 at valuation in 1989 and subsequent additions at cost of £389,551.

| Historical cost information | 1992 £ | 1991 £ |
|--|-----------|-----------|
| Historical cost of freehold property | 2,196,240 | 2,181,268 |
| Accumulated depreciation based on cost | - | - |
| Net book amount | 2,196,240 | 2,181,268 |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992
(continued)

| 9 | Stocks | 1992 £ | 1991 £ |
|------|--|------------------|------------------|
| | Vehicle and accessory stocks | 957,606 | 1,216,440 |
| | Work in progress | <u>25,735</u> | <u>62,966</u> |
| | | <u>983,341</u> | <u>1,279,406</u> |
| | | | |
| 10 | Debtors | | |
| | Amounts falling due within one year | | |
| | Trade debtors | 974,753 | 725,300 |
| | Amounts owed by fellow subsidiaries | 164,697 | 42,076 |
| | Corporation tax recoverable | 24,332 | - |
| | Prepayments | <u>158,907</u> | <u>58,420</u> |
| | | <u>1,322,689</u> | <u>825,796</u> |
| | | | |
| 11 | Cash and short term deposits | | |
| | Cash at bank and in hand | 1,755 | 1,636 |
| | Short term deposits | <u>597,842</u> | <u>678,592</u> |
| | | <u>599,597</u> | <u>680,228</u> |
| | | | |
| 12 | Creditors: amounts falling due within one year | | |
| | Trade creditors | 633,741 | 516,535 |
| | Amount owed to parent undertaking | 3,165,318 | 3,087,558 |
| | Amounts owed to fellow subsidiaries | 70,671 | 74,817 |
| | Finance lease obligations | 994 | 806 |
| | Corporation tax | - | 98,443 |
| | Other taxes and social security | 99,993 | 98,941 |
| | Accruals | <u>352,813</u> | <u>366,584</u> |
| | | <u>4,323,530</u> | <u>4,243,684</u> |
| | | | |
| 13 | Creditors: amounts falling due after more than one year | | |
| | Finance lease obligations payable between two and five years | <u>1,845</u> | <u>2,839</u> |

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992
(continued)

14 Deferred tax

The potential deferred tax liability and actual provision at 31 December 1992 arising on timing differences, calculated on the liability method at 33% (1991 33%) is as follows:

| | 1992 £ | 1991 £ |
|--------------------------------|----------------|---------------|
| Potential provision: | | |
| Industrial buildings | 61,000 | 31,100 |
| Accelerated capital allowances | 9,000 | 30,300 |
| Other | <u>(1,000)</u> | <u>-</u> |
| | <u>69,000</u> | <u>61,400</u> |
| Actual provision: | <u>45,000</u> | <u>-</u> |

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 properties.

15 Called up share capital (1992 and 1991)

| | Authorised £ | Issued and fully paid £ |
|----------------------------|-----------------|-------------------------------|
| Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |

16 Reserves

| | Revaluation reserves £ | Profit and loss account £ | Total £ |
|----------------------------|------------------------------|---------------------------------|------------------|
| Balance 1 January 1992 | 2,443,311 | 1,244,590 | 3,687,901 |
| Retained loss for the year | <u>-</u> | <u>(74,400)</u> | <u>(74,400)</u> |
| Balance 31 December 1992 | <u>2,443,311</u> | <u>1,170,190</u> | <u>3,613,501</u> |

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 31 December 1992 but not provided for in these financial statements amounted to £Nil (1991 £Nil).

BRISTOL STREET MOTORS (BROMLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1992
(continued)

19 Contingent liabilities

The company has given a joint and several guarantee in respect of the parent undertaking's indebtedness to Barclays Bank PLC. The charge over the book and other debts securing this guarantee was satisfied during the year.

Certain freehold properties of the company together with those of certain other fellow subsidiary undertakings are subject to a charge to secure the debenture stock of the parent undertaking.

20 Leasing obligations

Financial commitments under operating leases will result in the following payments falling due in the year to 31 December 1992

| Date of expiry:- | Other operating leases £ |
|------------------|--------------------------------|
| 1997 onwards | 25,102 |

21 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 1992 appear in the published financial statements of the parent undertaking.

22 Ultimate parent undertaking

The company is a direct subsidiary of B.S.G. International plc, a company incorporated in England.

The parent undertaking is a publicly quoted company and as such copies of its published accounts are available from Burgess House, 1270 Coventry Road, Birmingham B25 8BB.