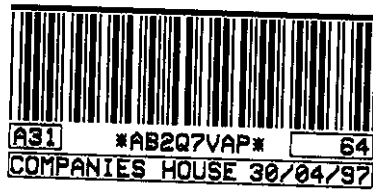


Abbreviated Financial Statements for the Year Ended 31 December 1996

for

Duncan Charles (Oldham) Limited



Duncan Charles (Oldham) Limited

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for the Year Ended 31 December 1996

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Duncan Charles (Oldham) Limited

Company Information
for the Year Ended 31 December 1996

DIRECTORS:	D B Coop Mrs B A Coop D P Coop W Bradley
SECRETARY:	B A Coop
REGISTERED OFFICE:	Rochdale Road Oldham Lancashire O11 1NU
REGISTERED NUMBER:	137802
AUDITORS:	Lomas & Co Chartered Accountants and Registered Auditor 16-18 Chapel Street Glossop Derbyshire SK13 8AT
BANKERS:	National Westminster Bank Plc Corporate Business Centre PO Box 78 3 Greaves Street Oldham OL1 1QZ
SOLICITORS:	Pickles Halliwell Lord Chambers 11 Church Lane Oldham OL1 3AN

Duncan Charles (Oldham) Limited

Report of the Directors
for the Year Ended 31 December 1996

The directors present their report with the financial statements of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operators of a volvo retail car franchise and associated services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 1996.

DIRECTORS

The directors during the year under review were:

D B Coop
Mrs B A Coop
D P Coop
W Bradley

The directors holding office at 31 December 1996 did not hold any beneficial interest in the issued share capital of the company at 1 January 1996 or 31 December 1996.

STATEMENT OF 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 those financial statements, the directors are required to

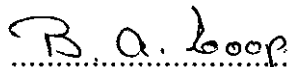
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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. 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.

AUDITORS

The auditors, Lomas & Co, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

ON BEHALF OF THE BOARD:



B A Coop - SECRETARY

Dated: 24.4.97.

Duncan Charles (Oldham) Limited

Report of the Auditors to
Duncan Charles (Oldham) Limited
Pursuant to Paragraph 24 of Schedule 8 of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to fifteen together with the full financial statements of Duncan Charles (Oldham) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page six and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated financial statements on pages five to fifteen have been properly prepared in accordance with that Schedule.

Other information

On we reported, as auditors of Duncan Charles (Oldham) Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

"We have audited the financial statements on pages four to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page nine.

Respective responsibilities of directors and auditors

As described on page two 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.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of disclosures made in the financial statements concerning the possible outcome of legal action against a former member of staff for alleged stock theft and fraud. The directors have made a provision of £114731 for the value of missing stock however the future settlement of a possible legal case could result in further findings.

Duncan Charles (Oldham) Limited

Report of the Auditors to
Duncan Charles (Oldham) Limited
Pursuant to Paragraph 24 of Schedule 8 of the Companies Act 1985

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Lomas & Co
Chartered Accountants and
Registered Auditor
16-18 Chapel Street
Glossop
Derbyshire
SK13 8AT



Dated:

24 April 1997 -

Duncan Charles (Oldham) Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 December 1996

		31.12.96	31.12.95
	Notes	£	£
GROSS PROFIT		266,631	327,918
Administrative expenses		390,525	260,647
OPERATING (LOSS)/PROFIT	3	(123,894)	67,271
Interest payable and similar charges	4	24,554	16,720
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(148,448)	50,551
Tax on (loss)/profit on ordinary activities	5	-	10,542
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(148,448)	40,009
Retained profit brought forward		505,622	465,613
RETAINED PROFIT CARRIED FORWARD		<u>£357,174</u>	<u>£505,622</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

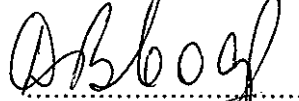
Duncan Charles (Oldham) Limited

Abbreviated Balance Sheet
31 December 1996

		31.12.96		31.12.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		125,655		123,126
CURRENT ASSETS:					
Stocks	7	885,309		766,613	
Debtors	8	362,442		338,637	
Cash in hand		550		550	
		1,248,301		1,105,800	
CREDITORS: Amounts falling due within one year	9	1,001,419		713,304	
NET CURRENT ASSETS:			246,882		392,496
TOTAL ASSETS LESS CURRENT LIABILITIES:			372,537		515,622
CREDITORS: Amounts falling due after more than one year	10		5,363		-
			£367,174		£515,622
CAPITAL AND RESERVES:					
Called up share capital	13		10,000		10,000
Profit and loss account			357,174		505,622
Shareholders' funds	16		£367,174		£515,622

Advantage has been taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a medium-sized company.

ON BEHALF OF THE BOARD:



D B Coop - DIRECTOR

Approved by the Board on 24/4/97

Duncan Charles (Oldham) Limited

Cash Flow Statement
for the Year Ended 31 December 1996

	31.12.96		31.12.95	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(8,847)		4,984
Returns on investments and servicing of finance				
Interest paid	(24,554)		(16,720)	
Net cash outflow from returns on investments and servicing of finance		(24,554)		(16,720)
Taxation				
Corporation Tax paid	(10,542)		-	
Tax paid		(10,542)		-
Investing activities				
Purchase of tangible fixed assets	(23,351)		(43,746)	
Cash payments - new loan made	-		(50,000)	
Sale of tangible fixed assets	15,400		14,999	
Cash receipts - loan repaid	-		100,000	
Net cash (outflow)/inflow from investing activities		(7,951)		21,253
Net cash (outflow)/inflow before financing		(51,894)		9,517
Financing				
Loan repayments in year	(3,966)		-	
Net cash outflow from financing		(3,966)		-
(Decrease)/Increase in cash and cash equivalents		£(55,860)		£9,517

The notes form part of these financial statements

Duncan Charles (Oldham) Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 1996

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.12.96 £	31.12.95 £
Operating (loss)/profit	(123,894)	67,271
Depreciation charges	19,692	16,562
Loss on sale of fixed assets	89	-
Profit on sale of fixed assets	(80)	(5,530)
Increase in stocks	(118,696)	(105,759)
Increase in debtors	(23,805)	(45,753)
Increase in creditors	237,847	78,193
Net cash (outflow)/inflow from operating activities	<u>(8,847)</u>	<u>4,984</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Year ended 31 December 1996

	£
Balance at 1 January 1996	(54,469)
Net cash outflow	<u>(55,860)</u>
Balance at 31 December 1996	<u>(110,329)</u>

Year ended 31 December 1995

	£
Balance at 1 January 1995	(63,986)
Net cash inflow	<u>9,517</u>
Balance at 31 December 1995	<u>(54,469)</u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

Year ended 31 December 1996

	31.12.96 £	1.1.96 £	Change in year £
Cash at bank and in hand	550	550	-
Bank overdrafts	<u>(110,879)</u>	<u>(55,019)</u>	<u>(55,860)</u>
	<u>(110,329)</u>	<u>(54,469)</u>	<u>(55,860)</u>

Duncan Charles (Oldham) Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 1996

Year ended 31 December 1995

	31.12.95	1.1.95	Change in year
	£	£	£
Cash at bank and in hand	550	550	-
Bank overdrafts	(55,019)	(64,536)	9,517
	<u>(54,469)</u>	<u>(63,986)</u>	<u>9,517</u>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Year ended 31 December 1996

	Hire purchase agreements £
New hire purchase agreement	14,280
Capital repayments	<u>(3,966)</u>
Balance at 31 December 1996	<u>10,314</u>

There were no changes in financing during the year ended 31 December 1995.

Duncan Charles (Oldham) Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Buildings	- not provided
Plant & Machinery	- 20% on reducing balance
Fixtures & Fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Office Machinery	- 33% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.12.96	31.12.95
	£	£
Wages and salaries	58,111	59,258
Other pension costs	3,808	-
	<u>61,919</u>	<u>59,258</u>

The average monthly number of employees during the year was as follows:

	31.12.96	31.12.95
Employees	<u>2</u>	<u>3</u>

Duncan Charles (Oldham) Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

3. OPERATING (LOSS)/PROFIT

The operating loss (1995 - operating profit) is stated after charging/(crediting):

	31.12.96	31.12.95
	£	£
Depreciation - owned assets	16,944	16,562
Depreciation - assets on hire purchase contracts	2,748	-
Loss/(Profit) on disposal of fixed assets	9	(5,530)
Auditors' remuneration	2,460	2,040
	<u> </u>	<u> </u>
Directors' emoluments	35,134	28,800
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.96	31.12.95
	£	£
Stocking loan charges	24,554	16,720
	<u> </u>	<u> </u>

5. TAXATION

The tax charge on the loss on ordinary activities for the year was as follows:

	31.12.96	31.12.95
	£	£
UK Corporation Tax	-	10,542
	<u> </u>	<u> </u>

UK Corporation Tax was charged at 25% in 1995.

6. TANGIBLE FIXED ASSETS

	Buildings	Plant & Machinery	Fixtures & Fittin- gs
	£	£	£
COST:			
At 1 January 1996	38,857	103,023	29,640
Additions	-	2,830	400
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1996	38,857	105,853	30,040
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1 January 1996	-	67,219	21,216
Charge for year	-	7,238	1,323
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1996	-	74,457	22,539
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 31 December 1996	38,857	31,396	7,501
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1995	38,858	35,804	8,424
	<u> </u>	<u> </u>	<u> </u>

Duncan Charles (Oldham) Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles	Office Machinery	Totals
	£	£	£
COST:			
At 1 January 1996	33,534	50,858	255,912
Additions	27,691	6,710	37,631
Disposals	(17,829)	(1,100)	(18,929)
At 31 December 1996	43,396	56,468	274,614
DEPRECIATION:			
At 1 January 1996	5,030	39,322	132,787
Charge for year	8,519	2,612	19,692
Eliminated on disposals	(2,909)	(611)	(3,520)
At 31 December 1996	10,640	41,323	148,959
NET BOOK VALUE:			
At 31 December 1996	32,756	15,145	125,655
At 31 December 1995	28,504	11,536	123,126

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
Additions	17,850
At 31 December 1996	17,850
DEPRECIATION:	
Charge for year	2,748
At 31 December 1996	2,748
NET BOOK VALUE:	
At 31 December 1996	15,102

7. STOCKS

	31.12.96	31.12.95
	£	£
Vehicle stocks	778,765	649,526
Parts stock	106,544	117,087
	885,309	766,613

Duncan Charles (Oldham) Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

8. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.96 £	31.12.95 £
Vat	3,390	-
Trade debtors	151,498	123,790
Other debtors	7,554	14,847
B&B (oldham) limited	150,000	150,000
Duncans of oldham limited	50,000	50,000
	<u>362,442</u>	<u>338,637</u>

9. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.96 £	31.12.95 £
Bank loans and overdrafts (see note 11)	110,879	55,019
Hire purchase contracts (see note 12)	4,951	-
Trade creditors	432,752	186,011
Sundry creditors	15,833	16,906
Stocking loan	427,088	419,912
Customer deposits received	885	6,566
Vat	-	9,730
Social security & other taxes	9,031	8,618
Taxation	-	10,542
	<u>1,001,419</u>	<u>713,304</u>

10. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.96 £	31.12.95 £
Hire purchase contracts (see note 12)	<u>5,363</u>	<u>-</u>

11. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	31.12.96 £	31.12.95 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>110,879</u>	<u>55,019</u>

Duncan Charles (Oldham) Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	Hire purchase contracts	
	31.12.96	31.12.95
	£	£
Gross obligations repayable:		
Within one year	5,431	-
Between one and five years	5,884	-
	<u>11,315</u>	<u>-</u>
Finance charges repayable:		
Within one year	480	-
Between one and five years	521	-
	<u>1,001</u>	<u>-</u>
Net obligations repayable:		
Within one year	4,951	-
Between one and five years	5,363	-
	<u>10,314</u>	<u>-</u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.96	31.12.95
			£	£
5,000	Ordinary	£1	5,000	5,000
5,000	Non cum prefs	£1	5,000	5,000
			<u>10,000</u>	<u>10,000</u>

14. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of B&B (oldham) limited.

15. RELATED PARTY TRANSACTIONS

Included in the profit & loss account there are payments to the Cost partnership for £78000 & £19000 in respect of service charges & rent. Included in the balance sheet there are loans owing to the company in the amount of £150000 for B&B (oldham) Ltd and £50000 for Duncans of oldham ltd. The trade debtors figure includes amounts of £5980 owed by Most motor company limited and £17050 owed by Duncans of oldham limited. The trade creditors figure includes amounts of £12728 owing to Most motor company limited and £417 owing to Duncans of oldham limited.

Duncan Charles (Oldham) Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1996

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.96	31.12.95
	£	£
(Loss)/Profit for the financial year	(148,448)	40,009
NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS	(148,448)	40,009
Opening shareholders' funds	515,622	475,613
CLOSING SHAREHOLDERS' FUNDS	367,174	515,622
Equity interests	367,174	515,622