

J. RAWSON AND SONS LIMITED**BALANCE SHEET AND ACCOUNTS****AS AT 30TH JUNE 1995**

Registered Office: Frant Station
Bells Yew Green
Tunbridge Wells,
Kent TN3 9BL.

Registered No: 607476
England & Wales

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J. RAWSON AND SONS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting the audited accounts of the Company for the year ended 30th June 1995, and report as follows:

Principal activities and review of the business

The principal activity of the Company was that of a motor dealership holding Peugeot and Renault car and light commercial franchises, at its two locations.

	£
Operating profit for the year	105,418
Interest payable	(53,750)
Profit for the year before taxation	51,668
Taxation	(17,947)
Profit for the financial year	33,721
Retained profit brought forward	517,050
Retained profits at 30th June 1995	<u>550,771</u>

The Directors do not recommend the payment of a dividend.
The state of affairs of the Company is satisfactory.

Directors

Directors of the Company were:

Mr. D.R. Rawson	Mr. R.M. Chapman
Mrs. E. Rawson	Mr. J.S. Dalton
Mrs. M.M. Rawson (Resigned 11th May 1995)	

Parent Undertaking

The Company's Parent Undertaking is J.Rawson Holdings Limited which is incorporated in England. Mr. D.R. Rawson, Mrs. E. Rawson, Mr. R.M.Chapman, and Mr.J.S. Dalton are Directors of the Holding Company.

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 judgements 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, Gilbert Allen & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Date: 12/2/96



D.R. Rawson

Director

REPORT OF THE AUDITORS

TO THE MEMBERS OF J. RAWSON AND SONS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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

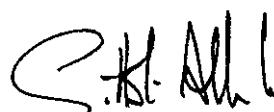
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 30th June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Churchdown Chambers
Bordyke
Tonbridge
Kent



GILBERT ALLEN & CO.
12.2.1996
Registered Auditor
Chartered Accountants

J. RAWSON AND SONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1995

1994		Notes	1995	
£			£	£
10,428,521	TURNOVER	(1d)		11,194,071
<u>(8,691,507)</u>	Cost of sales			<u>(9,338,157)</u>
1,737,014	GROSS PROFIT			1,855,914
<u>(1,630,011)</u>	NET OPERATING EXPENSES			<u>(1,750,496)</u>
107,003	OPERATING PROFIT			105,418
After accounting for the following:				
54,909	Depreciation	(1b,2)	48,678	
39,312	Directors' remuneration	(6)	8,176	
<u>4,400</u>	Auditor's remuneration		<u>4,600</u>	
<u>(52,990)</u>	Interest and Group Finance Charge			<u>(53,750)</u>
54,013	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			51,668
<u>(18,000)</u>	TAXATION	(7)		<u>(17,947)</u>
36,013	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			33,721
481,037	RETAINED PROFIT BROUGHT FORWARD			517,050
<u>517,050</u>	RETAINED PROFIT CARRIED FORWARD			<u>550,771</u>

There were no recognised gains or losses other than those included
in the profit and loss account.

None of the company's activities were acquired or discontinued
during the above two financial years.

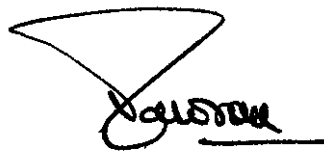

J. RAWSON AND SONS LIMITED
BALANCE SHEET AS AT 30TH JUNE 1995

1994			1995
£		Notes	£
77,109	FIXED ASSETS	(1b,2)	51,238
	CURRENT ASSETS		
860,637	Stock and work in progress	(1c,8)	956,495
729,229	Debtors	(3)	605,990
-	Cash at bank		168,412
<u>1,589,866</u>			<u>1,730,897</u>
	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(4)	<u>(956,764)</u>
714,541	NET CURRENT ASSETS		774,133
<u>791,650</u>	NET ASSETS		<u>825,371</u>

Representing:

	CAPITAL AND RESERVES		
274,600	SHARE CAPITAL	(5)	274,600
517,050	PROFIT AND LOSS ACCOUNT		550,771
<u>791,650</u>	SHAREHOLDERS FUNDS		<u>825,371</u>

The accounts were approved
by the Board of Directors
on 12/2/96

D.R. Rawson

R.M. Chapman

Directors

J. RAWSON AND SONS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 1995

1994		1995
£		£ £
107,003	OPERATING PROFIT	105,418
54,909	Depreciation	48,678
(86,300)	(Increase) in stocks	(95,858)
(361,184)	Decrease / (Increase) in debtors	123,239
8,590	Increase in creditors	314,279
<u>(438,894)</u>	MOVEMENT IN WORKING CAPITAL	341,660
<u>(276,982)</u>	NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	<u>495,756</u>
	RETURNS ON INVESTMENT AND SERVICING OF FINANCE	
(52,990)	Interest and group finance charge paid	(53,750)
	TAXATION	
(14,848)	Corporation tax paid	(16,921)
	INVESTING ACTIVITIES	
(22,553)	Payments to acquire tangible fixed assets	(35,293)
6,716	Proceeds from disposal of fixed assets	12,486
	FINANCING ACTIVITIES	
(45,873)	Hire purchase repayments	-
<u>(406,530)</u>	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>402,278</u>

Representing:-

**ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS
DURING THE YEAR :-**

£	Bank balance	£
172,664	At 1st July 1994	(233,866)
(233,866)	At 30th June 1995	168,412
<u>(406,530)</u>	NET CASH INFLOW	<u>402,278</u>

J. RAWSON AND SONS LIMITED
NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1995

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently with the preceding year, are set out below:-

- a) Basis of accounting:-
The accounts are prepared under the historical cost convention.
The accounts are prepared in accordance with applicable accounting standards.
- b) Depreciation is calculated as follows:
 - i) Equipment - 20% p.a. on cost.
 - ii) Motor vehicles - 25% p.a. on cost.
- c) Stocks and work in progress of vehicles, parts and accessories are valued at the lower of cost and net realisable value.
- d) Turnover represents sales of vehicles, parts and accessories, service charges and commissions receivable.

2. FIXED ASSETS- Tangible assets

	Equipment	Motor Vehicles	Total
	£	£	£
Cost			
Cost at 1st July 1994	471,552	51,982	523,534
Additions	22,911	12,382	35,293
Disposals	-	(16,647)	(16,647)
Cost at 30th June 1995	<u>494,463</u>	<u>47,717</u>	<u>542,180</u>
Depreciation			
Depreciation at 1st July 1994	410,457	35,968	446,425
Charge for year	43,821	4,857	48,678
No longer required	-	(4,161)	(4,161)
Depreciation at 30th June 1995	<u>454,278</u>	<u>36,664</u>	<u>490,942</u>
Net book value at 30th June 1995	<u>40,185</u>	<u>11,053</u>	<u>51,238</u>
Net book value at 1st July 1994	<u>61,095</u>	<u>16,014</u>	<u>77,109</u>

3. DEBTORS

	1994	1995
	£	£
Trade debtors	517,952	399,963
Due from Parent Undertaking	183,000	160,762
Due from Fellow Subsidiary Undertakings	1,085	-
Prepayments	27,192	45,265
	<u>729,229</u>	<u>605,990</u>

J. RAWSON AND SONS LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1995

4. CREDITORS	1994	1995
	£	£
Bank overdraft (secured) (note 8)	233,866	-
Trade creditors	511,852	808,407
Due to Parent Undertaking	23,563	40,000
Due to Fellow Subsidiary Undertakings	-	3,571
Accruals	87,360	85,076
Corporation tax (due 1.4.96)	18,684	19,710
	<u>875,325</u>	<u>956,764</u>

5. SHARE CAPITAL	1994	1995
	£	£
Authorised, Issued and Fully Paid		
Ordinary shares of £1 each	<u>274,600</u>	<u>274,600</u>

6. DIRECTORS' REMUNERATION	1994	1995
	£	£
Directors' emoluments	<u>39,312</u>	<u>8,176</u>
Pension contributions	<u>5,250</u>	<u>344</u>

In addition, those directors who are also directors of the Holding Company are paid by that Company, and a charge for their services has been included as an administration charge.

7. TAXATION	1994	1995
	£	£
Corporation tax at 25% (1994: 25%)		
Current year	(18,000)	(19,710)
Prior year	-	1,763
	<u>(18,000)</u>	<u>(17,947)</u>

8. CONTINGENT LIABILITIES

The Company has contingent liabilities of £1,748,878 regarding consignment stocks held, funded by manufacturers / finance houses, and not shown in the balance sheet as stocks.

The Company has given an unlimited guarantee to the Bankers of its Holding and Fellow Subsidiary Undertakings as security for their overdrafts. The relevant overdrafts at 30th June 1995 totalled £786,723.

9. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £70,000 for the Company.

10. STAFF COSTS

The average number of employees during the year was 71 (1994 - 70), and their aggregate remuneration was £1,120,539 (1994 - £1,013,686).