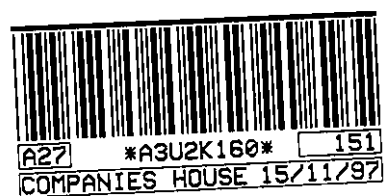


DUNNS MOTORS (HOLDINGS) LIMITED

**REPORT
AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 1997



DUNNS MOTORS (HOLDINGS) LIMITED

CONTENTS FOR THE YEAR ENDED 31 MARCH 1997

	Page No
Officers and Professional Advisers	1
Report of the Directors	2-3
Report of the Auditors to the Shareholders	4
Balance Sheet	5
Notes to the Financial Statements	6

DUNNS MOTORS (HOLDINGS) LIMITED

**OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 1997**

DIRECTORS

R H Dunn
V E Dunn

SECRETARY

S V Lyon

REGISTERED OFFICE

Merryhay House
Ilton Business Estate
Ilminster
Somerset
TA19 9DU

AUDITORS

Butterworth Jones & Co
Chartered Accountants
3 Hammet Street
Taunton
Somerset
TA1 1RZ

DUNNS MOTORS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

Financial Statements

The Directors submit their report and Financial Statements for the year ended 31 March 1997.

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 its profit or loss for that period. In preparing these 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.

Review of Activities

The Company has not traded during the year, and its activity is as holding company for Dunns Motors (Exeter) Limited.

Group Accounts have not been prepared for Dunns Motors (Holdings) Limited and its wholly owned subsidiary, Dunns Motors (Exeter) Limited, because the Directors consider that consolidated accounts would be of no value to the members and they have therefore relied on the exemptions conferred by Section 248 of the Companies Act 1985. These Accounts therefore present information about the Company as an individual undertaking.

Directors

The Directors who have served during the year at the beginning and end of the financial year are as follows:

R H Dunn
Mrs V E Dunn

The Directors are both permanent Directors.

DUNNS MOTORS (HOLDINGS) LIMITED

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997
(CONTINUED)**

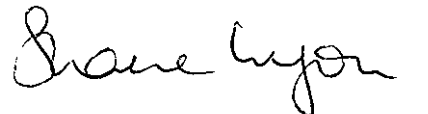
The Directors' interests in Dunns Motors (Holdings) Limited are as follows:

	31.03.97	01.04.96
R H Dunn	360	360
Mrs V E Dunn	360	360

Auditors

Butterworth Jones & Co have intimated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

By Order of the Board



S V Lyon
Secretary

Merryhay House
Ilton Business Estate
Ilminster
Somerset
TA19 9DU

Date: 11.11.97

DUNNS MOTORS (HOLDINGS) LIMITED
REPORT OF THE AUDITORS TO THE SHAREHOLDERS
OF DUNNS MOTORS (HOLDINGS) LIMITED

Financial Statements

We have audited the Financial Statements on pages 5 to 6 which have been prepared under the historical cost convention.

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 31 March 1997 and have been properly prepared in accordance with the Companies Act 1985.



Butterworth Jones & Co

Chartered Accountants
Registered Auditor

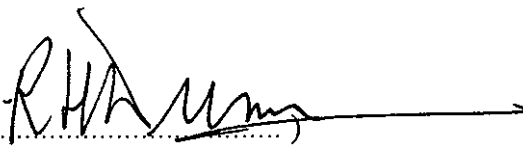
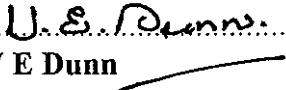
3 Hammet Street
Taunton
Somerset
TA1 1RZ

Date: 11.11.97

DUNNS MOTORS (HOLDINGS) LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	NOTES	1997 £	1996 £
FIXED ASSETS			
Investments	1	40,404	40,404
TOTAL ASSETS LESS CURRENT LIABILITIES		40,404	40,404
Creditors:			
Amounts falling due after more than one year - Loan from Subsidiary	2	(41,355)	(41,355)
		£ (951)	£ (951)
CAPITAL AND RESERVES			
Called up Share Capital	3	1,500	1,500
Profit and Loss Account		(2,451)	(2,451)
SHAREHOLDERS' DEFICIT		£ (951)	£ (951)


 R H Dunn)
) DIRECTORS

 V E Dunn)

Approved by the Board on: 11.11.97

DUNNS MOTORS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997**

	1997 £	1996 £
1. INVESTMENTS		
Shares in subsidiary undertaking at cost	£40,404	£40,404
	<hr/>	<hr/>

The subsidiary undertaking is Dunns Motors (Exeter) Limited.

The shareholding is held directly by the Company and represents 100% of the issued ordinary share capital of £1 ordinary shares.

The aggregate amount of the Capital and Reserves of the subsidiary at 31 March 1997 was £905,786 and its loss for the year then ended was £9,181.

2. LOAN FROM SUBSIDIARY		
This loan has no fixed term and is interest free	£41,355	£41,355
	<hr/>	<hr/>

3. CALLED UP SHARE CAPITAL		
<i>Authorised, Allotted, Called-Up and Fully Paid</i>		
1,500 Ordinary Shares of £1 each	£ 1,500	£ 1,500
	<hr/>	<hr/>

4. PROFIT AND LOSS ACCOUNT	
The Company did not trade in the year, and therefore no Profit and Loss Account has been produced.	

5. ACCOUNTING POLICY	
The Financial Statements have been prepared under the historical cost convention.	