

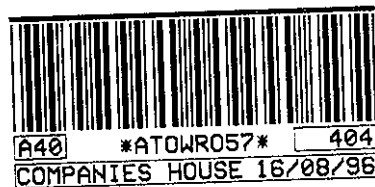
NORTHCROSS CONSTRUCTION AND JOINERY LIMITED

COMPANY NO. 660067

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1995



S G SMITH MOTOR GROUP

NORTHCROSS CONSTRUCTION AND JOINERY LIMITED
REPORT OF THE DIRECTORS

The Directors submit their report and audited financial statements for the year ended 31st December 1995.

Activities of the Company

The principal activity of the Company is that of building, demolition and property maintenance.

Review of Results and Future Developments

The company ceased trading on 30th June 1994.

Dividends

The Directors have declared a dividend of £22,828 paid out of reserves.

Directors

The Directors who served during the year and their interests in the share capital of the Parent Company were as follows:

	<u>Ordinary Shares of £1 each</u>	
	<u>31st December 1995</u>	<u>31st December 1994</u>
L.G. Smith	-	-
R.C.D. Smith	27,286	25,661
C.B. Slater	-	-

R.C.D. Smith is also a trustee of two settlements which held a further 48,284 shares in the Parent Company at 31st December 1995.

Directors' Responsibilities

As required by company law the directors have prepared these financial statements to give a true and fair view of the company's affairs at the 31st December 1995 and loss for the year then ended.

In preparing these they have selected suitable accounting policies, following applicable accounting standards, that have been applied consistently. Prudent judgements and estimates have been applied where necessary. The financial statements have been prepared on the going concern basis.

The directors acknowledge responsibility for keeping proper accounting records, for safeguarding the company's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD

I. G. Hargrave.

25 Dulwich Village,
London SE21 7BW.
30th May 1996

I.G. HARGRAVE
Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
NORTHCROSS CONSTRUCTION AND JOINERY LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies that are set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, of those financial statements and report our opinion to you.

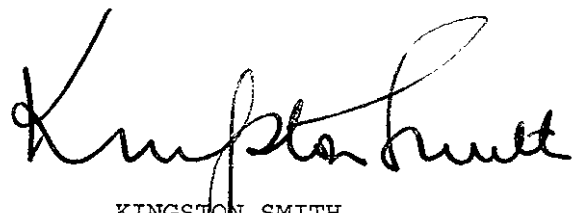
Basis of opinion

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, 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 affairs of the company at 31st December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KINGSTON SMITH
Chartered Accountants
and Registered Auditors

Devonshire House,
146 Bishopsgate,
London.
EC2M 4JX.

30th May 1996.

NORTHCROSS CONSTRUCTION AND JOINERY LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1995

	Note	1995	1994
Turnover:	1(b)	-	101,080
Discontinued operations			
Cost of sales		-	(61,761)
Gross profit		-	39,319
Administrative expenses		-	(22,046)
Other operating expenses		-	(33,056)
Other operating income		-	272
		-	(54,830)
Operating loss:	2	-	(15,511)
Discontinued operations			
Interest payable and similar charges	4	-	(163)
Loss on ordinary activities before taxation		-	(15,674)
Taxation credit	5	-	6,086
Loss on ordinary activities after taxation		-	(9,588)
Dividends	10	(22,828)	-
Retained loss for the financial year	10	£ (22,828)	£ (9,588)

There were no recognised gains and losses other than those stated above, and therefore no separate statement of total recognised gains and losses has been presented.

NORTHCROSS CONSTRUCTION AND JOINERY LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>			
Tangible assets	6	-	-
<u>CURRENT ASSETS</u>			
Debtors	7	<u>100</u>	<u>22,928</u>
<u>NET ASSETS</u>		<u>£ 100</u>	<u>£ 22,928</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	8	100	100
Profit and loss account	9	<u>-</u>	<u>22,828</u>
Shareholders' Funds	9	<u>£ 100</u>	<u>£ 22,928</u>



 R.C.D. SMITH

DIRECTOR

Approved by the Board on 30th May 1996

NORTHCROSS CONSTRUCTION AND JOINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Turnover

Turnover represents the amounts invoiced for goods and services supplied to customers, excluding Value Added Tax.

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

	<u>1995</u>	<u>1994</u>
2. <u>OPERATING LOSS</u>		
This is stated after charging:		
Depreciation of tangible fixed assets:		
- wholly owned	£ -	£ 658
- held under finance leases	£ -	£ -
Auditors' remuneration: audit	£ -	£ 1,500
Auditors' remuneration: other	£ -	£ 500
Plant operating lease rentals	£ -	£ -
Property operating lease rentals	£ -	£ 9,014
	<u>£ -</u>	<u>£ 9,014</u>

3. EMPLOYEE INFORMATION

The average number of employees during the year were:

Production and sales	-	1
Administration	-	1
Other	-	-
	<u>-</u>	<u>2</u>

Staff costs were:

Salaries and wages	-	21,228
Social security costs	-	1,892
	<u>£ -</u>	<u>£ 23,120</u>

4. INTEREST PAYABLE

Finance lease interest charges	£ -	£ 163
	<u>£ -</u>	<u>£ 163</u>

5. TAXATION

Corporation tax credit at 25% (1994 33%)	-	5,969
Overprovision in previous year	-	117
	<u>£ -</u>	<u>£ 6,086</u>

NORTHCROSS CONSTRUCTION AND JOINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1995

6. TANGIBLE FIXED ASSETS

Short lease

Cost

At 1st January 1995	5,500
Disposal in year	(5,500)
At 31st December 1995	£ -

Amortisation

At 1st January 1995	5,500
Eliminated on disposal	(5,500)
At 31st December 1995	£ -

Net Book Value

At 31st December 1995	£ -
At 31st December 1994	£ -

1995

1994

7. DEBTORS

Amounts owed by group undertakings	100	5,969
Other debtors	-	16,959
	£ 100	£ 22,928

8. SHARE CAPITAL

Authorised

Ordinary shares of £1 each	£ 100	£ 100
<u>Allotted and fully paid</u>		
Ordinary shares of £1 each	£ 100	£ 100

9. SHAREHOLDERS' FUNDS

SHARE CAPITAL PROFIT AND LOSS ACCOUNT TOTAL

At beginning of year	100	22,828	22,928
Dividends Paid	-	(22,828)	(22,828)
At end of year	£ 100	£ -	£ 100

The dividend payment represents an interim dividend of £228.28 per share.

10. CONTINGENT LIABILITIES

The company has provided joint and several guarantees to secure loan and overdraft facilities to group undertakings. The amounts advanced under these facilities at 31st December 1995 were £3,355,782 (1994 £3,096,951).

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is S.G.Smith (Motors) Insurance and Management Services Limited, which is registered in England and Wales. That company prepares consolidated financial statements copies of which may be obtained from the registered office at 25 Dulwich Village, London, SE21 7BW.