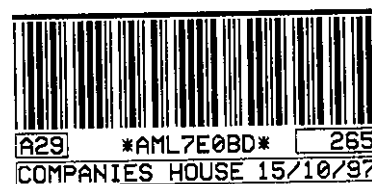


NEW STREET MOTORS (OADBY) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1997



NEW STREET MOTORS (OADBY) LIMITED

DIRECTORS

**E C G Whitehead
R F Whitehead**

SECRETARY

E C G Whitehead

REGISTERED OFFICE

**New Street
Oadby
Leicester**

FINANCIAL STATEMENTS - 31ST MARCH 1997

Page 1 - 2	Report of the directors
3	Report of the accountants
4	Profit and loss account
5 - 6	Balance sheet
7 - 12	Notes to the accounts

**The following pages do not form part
of the statutory accounts**

13 - 14	Trading and profit and loss account
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NEW STREET MOTORS (OADBY) LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 1997.

Principal activities and business review

The principal activities of the company throughout the year were those of the servicing of motor vehicles and the supply of fuel.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividend

The results of the company for the year are set out on page 4. An interim dividend of £4,800 per share was declared during the year. The directors do not recommend that a final dividend be paid for the year under review.

It is recommended that the whole of the retained profit be set aside to reserves.

Fixed assets

The movement of fixed assets are shown in the notes to the financial statements.

In the opinion of the directors the freehold property has a market value of £75,000 which is not in excess of the amount shown in the financial statements.

Directors and their interest

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year were as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>1997</u>	<u>1996</u>
E C G Whitehead	1	1
R F Whitehead	1	1

Directors responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- * state whether applicable standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- * prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will remain 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 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.

NEW STREET MOTORS (OADBY) LIMITED

REPORT OF THE DIRECTORS - CONTINUED

Accountants

Berry & Partners have indicated their willingness to continue in office and it is proposed that they be re-appointed accountants to the company for the ensuing year.

Small company rules

Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies.

BY ORDER OF THE BOARD

E C G Whitehead

New Street
Oadby
Leicester



13th October 1997.

ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF
NEW STREET MOTORS (OADBY) LIMITED

I have examined, without carrying out an audit, the accounts for the year ended 31st March 1997 set out on pages 4 to 12.

Respective responsibilities of directors and reporting accountant

As described on page 1 the company's directors are responsible for the preparation of the accounts and they believe that the company is exempt from an audit. It is my responsibility to examine the accounts and based on my examination, to report my opinion, as set out below, to the shareholders.

Basis of opinion

I conducted my examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the company's officers as I considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly, I do not express an audit opinion on the accounts. Therefore my examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In my opinion:

- a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to and on the basis of the information contained in those accounting records:
 - i) except for the accounts being completed on a 'going concern basis' which assumes continuing support from creditors, the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not at any time within that year fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



S W Miles F.C.A.
Berry & Partners,
West Walk House,
99 Princess Road East,
Leicester.

14th October 1997.

NEW STREET MOTORS (OADBY) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**
31ST MARCH 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
TURNOVER	2	250,925	260,672
Cost of sales		218,119	234,341
		<hr/>	<hr/>
GROSS PROFIT		32,806	26,331
Administration expenses	11,499		10,503
Other operating charges	13,223		11,907
		<hr/>	<hr/>
		24,722	22,410
		<hr/>	<hr/>
Other operating income		8,084	3,921
		17,321	15,181
		<hr/>	<hr/>
OPERATING PROFIT	4	25,405	19,102
Interest receivable and similar income		-	(129)
Interest payable and similar charges	7	4,720	5,626
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,685	13,605
Taxation	8	5,614	3,316
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		15,071	10,289
Dividends	9	9,600	9,600
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR		5,471	689
RETAINED PROFIT - 1ST APRIL 1996		39,138	38,449
		<hr/>	<hr/>
RETAINED PROFIT - 31ST MARCH 1997		44,609	39,138
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses other than the profits for the above two financial years.

The notes on pages 7 to 12 form part of these accounts.

NEW STREET MOTORS (OADBY) LIMITED**BALANCE SHEET AT 31ST MARCH 1997**

	<u>Note</u>	<u>£</u>	<u>1997</u> <u>£</u>	<u>£</u>	<u>1996</u> <u>£</u>
FIXED ASSETS					
Intangible assets	11		250		250
Tangible assets	12		75,036		76,645
			<hr/>		<hr/>
			75,286		76,895
CURRENT ASSETS					
Stocks	13	10,128		11,765	
Debtors	14	90,857		70,365	
Cash at bank and in hand		24,227		30,061	
		<hr/>		<hr/>	
		125,212		112,191	
CREDITORS: amounts falling due within one year					
	15	155,501		149,946	
		<hr/>		<hr/>	
NET CURRENT (LIABILITIES)			(30,289)		(37,755)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			44,997		39,140
PROVISIONS FOR LIABILITIES AND CHARGES					
	16		386		-
			<hr/>		<hr/>
NET ASSETS			44,611		39,140
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Profit and loss account			44,609		39,138
			<hr/>		<hr/>
			44,611		39,140
			<hr/>		<hr/>

DIRECTORS STATEMENT

The directors confirm that:

- for the year in question the company was entitled to exemption under subsection (2) of section 249A of the Companies Act 1985;
- no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and;

NEW STREET MOTORS (OADBY) LIMITED

BALANCE SHEET AT 31ST MARCH 1997 - CONTINUED

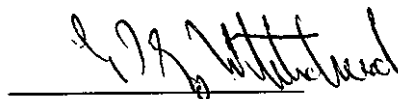
c) they acknowledge their responsibilities for;

(i) ensuring that the company keeps accounting records which comply with section 221, and;

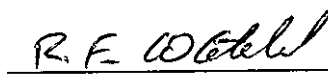
(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

In preparing these financial statements we have taken advantage of the special exemptions applicable to small companies conferred by sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to those exemptions as a small company.

Approved by the Board on 13th October 1997.



E C G Whitehead - Director



R F Whitehead - Director

The notes on pages 7 to 12 form part of these accounts.

NEW STREET MOTORS (OADBY) LIMITED

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

1. ACCOUNTING POLICIES

(a) *Accounting basis and standards*

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

(b) *Depreciation*

Depreciation of fixed assets is provided at rates estimated to write off the costs or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Freehold buildings:	2% straight line
Equipment:	15% reducing balance

(c) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of overheads.

(d) *Turnover*

Turnover represents the invoiced value of goods sold net of value added tax.

(e) *Deferred taxation*

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. TURNOVER

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

3. NET OPERATING EXPENSES AND COMPARATIVE DETAILS

	<u>1997</u>			<u>1996</u>		
	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover	250,925	-	250,925	257,753	2,919	260,672
Cost of sales	218,119	-	218,119	231,316	3,025	234,341
	<u>32,806</u>	<u>-</u>	<u>32,806</u>	<u>26,437</u>	<u>(106)</u>	<u>26,331</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

DEPRECIATION:

Owned tangible fixed assets

<u>1997</u>	<u>1996</u>
<u>£</u>	<u>£</u>
1,717	1,609

NEW STREET MOTORS (OADBY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 1997 - CONTINUED****5. EMPLOYEE INFORMATION**

The average number of employees during the year was 3. Due to the size of the company there is no formal classification of duties.

Their total remuneration was:	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Wages and salaries	12,220	18,865
Social Security costs	508	1,021
Other pension costs	1,000	1,000
	<hr/>	<hr/>
	13,728	20,886
	<hr/>	<hr/>

6. DIRECTORS EMOLUMENTS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Fees	5,200	4,923
Other emoluments, including pension contributions	1,000	1,000
	<hr/>	<hr/>
	6,200	5,923
	<hr/>	<hr/>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Other loans not wholly repayable within five years	4,720	5,626
	<hr/>	<hr/>

8. TAXATION

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Corporation tax based on the results for the year at the rate 24% (1996: 25%)	5,228	3,629
Deferred taxation (note 16)	386	-
Overprovision in previous year	-	(313)
	<hr/>	<hr/>
	5,614	3,316
	<hr/>	<hr/>

The taxation charge for the year has been affected by the disallowance of certain expenditure.

9. DIVIDENDS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Paid	9,600	9,600
	<hr/>	<hr/>

NEW STREET MOTORS (OADBY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 1997 - CONTINUED**10. SHAREHOLDERS FUNDS**

	<u>Called up share capital</u> £	<u>Profit and loss account</u> £	<u>Total</u> £
Balance at 1st April 1996	2	39,138	39,140
Transfer from profit and loss account	-	5,471	5,471
	<hr/>	<hr/>	<hr/>
Balance at 31st March 1997	2	44,609	44,611
	<hr/>	<hr/>	<hr/>
The authorised share capital comprises:		<u>1997</u> £	<u>1996</u> £
Authorised			
100 ordinary shares of £1 each		100	100
		<hr/>	<hr/>
Called up, allotted and fully paid:			
2 ordinary shares of £1 each		2	2
		<hr/>	<hr/>

The movements in shareholders funds in the previous year are set out below:

	<u>Called up share capital</u> £	<u>Profit and loss account</u> £	<u>Total</u> £
Balance at 1st April 1995	2	38,449	38,451
Transfer from profit and loss account	-	689	689
	<hr/>	<hr/>	<hr/>
Balance at 31st March 1996	2	39,138	39,140
	<hr/>	<hr/>	<hr/>

11. INTANGIBLE ASSETS**Goodwill**
£***Cost***

At 1st April 1996	250
	<hr/>
At 31st March 1997	250
	<hr/>

NEW STREET MOTORS (OADBY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 1997 - CONTINUED**12. TANGIBLE ASSETS**

	<u>Freehold land and buildings</u>	<u>Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<i>Cost</i>			
At 1st April 1996	75,000	6,878	81,878
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st March 1997	75,000	6,878	81,878
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1st April 1996	2,417	2,816	5,233
Charge for the year	1,000	609	1,609
	<hr/>	<hr/>	<hr/>
At 31st March 1997	3,417	3,425	6,842
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31st March 1997	71,583	3,453	75,036
	<hr/>	<hr/>	<hr/>
At 31st March 1996	72,583	4,062	76,645
	<hr/>	<hr/>	<hr/>

13. STOCKS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Finished goods and goods for resale	10,128	11,765
	<hr/>	<hr/>

14. DEBTORS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	43,824	40,998
Amounts owed by associated undertakings (note 20)	45,138	29,362
Other debtors	1,070	-
Prepayments and accrued income	825	5
	<hr/>	<hr/>
	90,857	70,365
	<hr/>	<hr/>

NEW STREET MOTORS (OADBY) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH 1997 - CONTINUED**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>1997</u> £	<u>1996</u> £
Trade creditors	8,314	10,697
Corporation tax	2,828	1,229
Social Security and other taxes	1,313	4,002
Directors loans	137,723	129,642
Accruals and deferred income	5,323	4,376
	<hr/> 155,501 <hr/>	<hr/> 149,946 <hr/>

16. PROVISION FOR LIABILITIES AND CHARGES***Deferred taxation***

Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy described in note 1 (e).

	<u>1997</u> £	<u>1996</u> £
At 1st April 1996	-	-
Transfer from profit and loss account	386	-
	<hr/>	<hr/>
At 31st March 1997	386	-
	<hr/>	<hr/>

The deferred taxation balance comprises:

	<u>1997</u>		<u>1996</u>
	<u>Amount</u> <u>provided</u> £	<u>Potential</u> <u>liability</u> £	<u>Amount</u> <u>provided</u> £
Short term timing differences	-	-	-
Accelerated capital allowances	386	386	-
	<hr/>	<hr/>	<hr/>
	386	386	-
	<hr/>	<hr/>	<hr/>

17. CALLED UP SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
Authorised:		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

NEW STREET MOTORS (OADBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997 - CONTINUED

18. CAPITAL COMMITMENTS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Expenditure contracted but not provided in the financial statements	-	-
Approved by the directors but not yet contracted	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

19. DIRECTORS INTERESTS IN CONTRACTS

During the year the company sold £17,316 (1996: £24,623) worth of goods on normal commercial terms to New Street Motors (Car Sales) Limited, a company in which the directors, had material interests.

20. AMOUNTS OWED TO RELATED UNDERTAKINGS

This amount represents advances from New Street Motors (Car Sales) Limited, a company related by reason of the common influential directorship of E C G Whitehead and R F Whitehead.

There are no specific terms for the repayment of such advances or for the charging of interest.