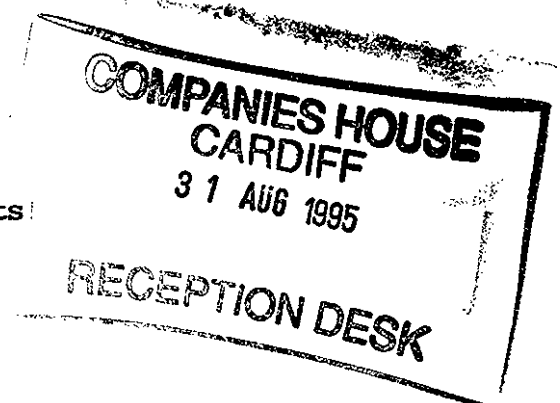
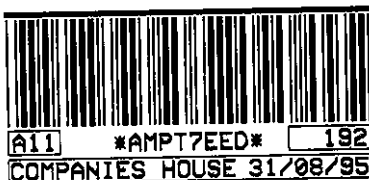


B. & C. SAUNDERS LIMITED
FINANCIAL STATEMENTS
for the year ended 31 July 1994

Company number: 1211877

ARBUCKLE & CO.
Chartered Accountants
59 Albert Road
Cheltenham



B. & C. SAUNDERS LIMITED**DIRECTORS' REPORT****for the year ended 31 July 1994**

The directors present their report and the financial statements for the year ended 31 July 1994.

Principal activity

The principal activity of the company during the year continued to be that of motor engineers.

Directors

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary shares of £1 each	
	31 July 1994	31 July 1993
B W Saunders	1	1
C J Saunders	1	1

Audit exemption

The company has decided not to appoint auditors.

This report was approved by the board on 31 August 1995, taking advantage of special exemptions available to small companies.

Signed on behalf of
the board of directors



B W SAUNDERS
Director

B. & C. SAUNDERS LIMITED**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
B. & C. SAUNDERS LIMITED**

We report on the financial statements for the year ended 31 July 1994 set out on pages 3 to 9.

Respective responsibilities of directors and reporting accountants

As described on pages 4 and 5, the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the 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) the financial statements have been drawn up in a manner consistent with the provisions specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements 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)(a) to (f).

Arbuckle & Co.

ARBUCKLE & CO.
Reporting Accountants
59 Albert Road
Cheltenham
Gloucestershire GL52 2RB

31 August 1995

B. & C. SAUNDERS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 July 1994

	Notes	1994 £	1993 £
TURNOVER		203,530	316,395
Cost of sales		(153,620)	(256,702)
GROSS PROFIT		49,910	59,693
Administrative expenses		(52,314)	(56,705)
OPERATING (LOSS) PROFIT	2	(2,404)	2,988
Interest receivable and similar income		3	-
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		(2,401)	2,988
Interest payable		(6,434)	(7,836)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,835)	(4,848)
Taxation	3	-	(6,600)
RETAINED (LOSS) FOR THE YEAR	9	£ (8,835)	£ (11,448)

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

There were no recognised gains or losses in either of the above two financial years other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

B. & C. SAUNDERS LIMITED

BALANCE SHEET

as at 31 July 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	4	49,379	48,762
CURRENT ASSETS			
Stocks		29,546	29,405
Debtors	5	34,776	47,616
Cash at bank and in hand		1,512	1,340
		<u>65,834</u>	<u>78,361</u>
CREDITORS: amounts falling due within one year	6	<u>63,332</u>	<u>62,189</u>
NET CURRENT ASSETS		2,502	16,172
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>51,881</u>	<u>64,934</u>
CREDITORS: amounts falling due after more than one year	7	40,568	44,786
		<u>£ 11,313</u>	<u>£ 20,148</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	11,311	20,146
Shareholders funds	10	<u>£ 11,313</u>	<u>£ 20,148</u>

The directors:

- 1 confirm that for the year ended 31 July 1994 the company was entitled to the exemption under subsection 2 of section 249A of the Companies Act 1985.
- 2 confirm that no notice requiring an audit had been deposited under subsection 2 of section 249B of the Act in relation to the accounts for the financial year.
- 3 acknowledge their responsibility for:
 - a) ensuring that the company keeps accounting records which comply with section 221 of the Act; and

continued on page 5

B. & C. SAUNDERS LIMITED

BALANCE SHEET
(continued)

as at 31 July 1994

- b) preparing financial statements 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.

Approved by the board of directors on 31 August 1995 and signed on its behalf. In preparing these financial statements, advantage has been taken of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.



B W SAUNDERS
Director

The notes on pages 6 to 9 form part of these financial statements.

B. & C. SAUNDERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****for the year ended 31 July 1994****1 Accounting policies****Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	2% on cost
Plant and equipment	15% on cost
Motor vehicles	25% on cost

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised in the balance sheet as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

B. & C. SAUNDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 1994

2 Operating (loss) profit

The operating (loss) profit is stated after charging:

	1994 £	1993 £
Depreciation of tangible fixed assets		
- owned by the company	3,135	3,346
- held under finance leases	1,102	-
Hire of plant and machinery	358	390
Directors' remuneration	26,750	26,750
Auditors' remuneration	-	1,805
	<u> </u>	<u> </u>

3 Taxation

	1994 £	1993 £
Current year taxation		
UK corporation tax on loss on ordinary activities at 25%	-	-
Prior years		
UK corporation tax	-	6,600
	<u> </u>	<u> </u>
	£ -	£ 6,600
	<u> </u>	<u> </u>

At 31 July 1994, there were losses of £46,799 (1993 £39,601) available to be carried forward.

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 August 1993	47,952	32,937	80,889
Additions	-	4,855	4,855
Disposals	-	(2,200)	(2,200)
	<u> </u>	<u> </u>	<u> </u>
At 31 July 1994	47,952	35,592	83,544
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 August 1993	4,793	27,334	32,127
Disposals	-	(2,199)	(2,199)
Charge for the year	959	3,278	4,237
	<u> </u>	<u> </u>	<u> </u>
At 31 July 1994	5,752	28,413	34,165
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 July 1994	£ 42,200	£ 7,179	£ 49,379
	<u> </u>	<u> </u>	<u> </u>
At 31 July 1993	£ 43,159	£ 5,603	£ 48,762
	<u> </u>	<u> </u>	<u> </u>

The net book value of plant and machinery etc above includes £3,308 (1993 Nil) in respect of assets held under finance leases and hire purchase contracts.

B. & C. SAUNDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 1994

5 Debtors

	1994 £	1993 £
Amounts due within one year:		
Trade debtors	20,668	35,269
Other debtors	144	144
Prepayments and accrued income	13,964	12,203
	<u>£ 34,776</u>	<u>£ 47,616</u>

6 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loans and overdrafts (see below)	28,227	20,261
Net obligations under finance leases and hire purchase contracts (secured)	1,705	-
Trade creditors	20,899	24,221
Corporation tax	-	1,600
Other taxation and social security	9,014	11,694
Accruals and deferred income	3,205	4,131
Directors' current accounts	282	282
	<u>£ 63,332</u>	<u>£ 62,189</u>
Bank loans and overdrafts comprises:		
Bank loan (secured)	10,320	10,320
Bank overdraft (secured)	17,907	9,941
	<u>£ 28,227</u>	<u>£ 20,261</u>

7 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Bank loan (secured)	39,431	44,786
Net obligations under finance leases and hire purchase contracts (secured)	1,137	-
	<u>£ 40,568</u>	<u>£ 44,786</u>
The bank loan is repayable by instalments as follows:		
Between one and two years	10,320	10,320
Between two and five years	29,111	30,960
After five years	-	3,506
	<u>£ 39,431</u>	<u>£ 44,786</u>

B. & C. SAUNDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 1994

7 Creditors: amounts falling due
after more than one year (continued)

	1994	1993
Net obligations under finance leases and hire purchase contracts are repayable by instalments as follows:		
Between one and two years	£ 1,137	£ -

8 Called up share capital

Equity shares

	1994	1993
Authorised		
Ordinary shares of £1	£ 100	£ 100
Allotted		
Ordinary shares of £1 each, fully paid	£ 2	£ 2

9 Profit and loss account

	1994 £	1993 £
Balance at 1 August 1993	20,146	31,594
Retained (loss) for the year	(8,835)	(11,448)
Balance at 31 July 1994	£ 11,311	£ 20,146

10 Reconciliation of movement in shareholders funds

	1994 £	1993 £
(Loss) for the financial year	(8,835)	(11,448)
Net (reduction) during the year	(8,835)	(11,448)
Shareholders funds at 1 August 1993	20,148	31,596
Shareholders funds at 31 July 1994	£ 11,313	£ 20,148

11 Financial commitments

Future capital expenditure

	1994	1993
Authorised, but not contracted for	£ 10,000	£ 10,000