

Company Number 1259933

S. HALL MOTORS (WARRINGTON) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

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LATHAM CROSSLEY & DAVIS
CHARTERED ACCOUNTANTS
CHORLEY



S. HALL MOTORS (WARRINGTON) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1996.

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 the group and of the profit or loss of the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of the business and future developments

The principal activities of the group and company are the sale and repair of motor vehicles and the sale of petrol, oil and motor accessories, together with leasing and contract hire facilities.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the year.

Results and dividends

The profit for the year after taxation was £96,911. The directors do not recommend the payment of a dividend.

S. HALL MOTORS (WARRINGTON) LIMITED

REPORT OF THE DIRECTORS

Directors and their interests

The directors of the company during the year and their beneficial interests in the ordinary shares of the company were:

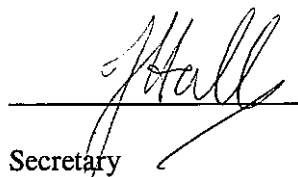
	Number held at	
	31 December 1996	1 January 1996
Mr S Hall	9,740	9,740
Mrs J Hall	9,740	9,740
Mr G Hall (appointed 22 March 1996)	-	-

The directors had no interests in the shares of any other group companies.

Auditors

Latham Crossley & Davis, offer themselves, and are recommended, for re-appointment under the provisions of section 385 of the Companies Act 1985.

By order of the Board,


Secretary

Date: 30/8/97

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF S. HALL MOTORS (WARRINGTON) LIMITED

We have audited the financial statements on pages 4 to 23 which have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

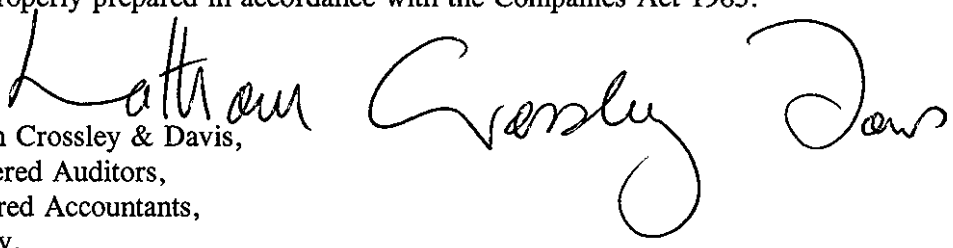
Basis of opinion

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 circumstances of the group and the company, 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 affairs of the company and the group as at 31 December 1996 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Latham Crossley & Davis,
Registered Auditors,
Chartered Accountants,
Chorley.

Date:

15/5/97.

S. HALL MOTORS (WARRINGTON) LIMITED

STATEMENT OF ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with applicable Accounting Standards.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and all of its subsidiary undertakings made up to the balance sheet date.

The company is exempt from the requirement to present its own profit and loss account under the provisions of Section 230 of the Companies Act 1985.

Turnover

Turnover represents the invoiced amount of goods sold and services provided less returns and allowances, exclusive of value added tax.

Rentals from operating leases are taken to profit and loss account on a straight line basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation.

Depreciation is provided so as to write off the cost or valuation of the assets over their expected useful economic lives. The principal annual rates and methods used are as follows:

Freehold buildings	1.67% straight line
Leasehold land and buildings	straight line over the period of the lease
Fixtures, fittings and computer equipment	10% - 33% reducing balance/straight line
Motor vehicles	25% - 33% straight line

Fixed asset investments

Fixed asset investments are shown in the company balance sheet at historic cost less any necessary provision for permanent diminution in value.

S. HALL MOTORS (WARRINGTON) LIMITED

STATEMENT OF ACCOUNTING POLICIES

Leasing and hire purchase

Certain tangible fixed assets are held under financing arrangements. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of instalments is charged to the profit and loss account in proportion to the reducing capital element outstanding.

All other leases held are operating leases and the rentals are charged to the profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided under the liability method at the appropriate rate of tax in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements to the extent that, in the opinion of the directors, those differences will give rise to tax liabilities in the foreseeable future.

Pension costs

Pension costs are recognised on a systematic basis over the period that the company benefits from the services of the employees who are members of the pension scheme.

Grants

Grants are recognised in the profit and loss account so as to match them with the related expenditure towards which they contribute. Grants received in respect of future accounting periods are included in the balance sheet as deferred income.

Related party transactions

The company has taken advantage of the exemption under FRS8 'Related Party Transactions' not to disclose details of transactions with related parties within the group.

S. HALL MOTORS (WARRINGTON) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996

	Note	1996	1995
		£	£
Turnover			
Continuing operations		16,296,121	14,524,092
Discontinued operation		<u>501</u>	<u>7,429</u>
Cost of sales	1	16,296,622 ✓ (14,980,001) ✓	14,531,521 (13,371,717)
Gross profit		1,316,621 ✓	1,159,804
Net operating expenses	1	(1,049,576)	(878,716)
Operating profit	1		
Continuing operations		266,646	279,529
Discontinued operations		<u>399</u>	<u>1,559</u>
		267,045	281,088
Interest payable	2	(128,999) ✓	(141,661)
Profit on ordinary activities before taxation		138,046	139,427
Taxation	3	(41,135)	(16,124)
Profit for the financial year	10	96,911	123,303

All gains and losses for the year are dealt with in the profit and loss account.

S. HALL MOTORS (WARRINGTON) LIMITED
NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 1996

	1996 £	1995 £
Profit on ordinary activities before taxation	138,046	139,427
Difference between historical cost depreciation charge and the actual depreciation for the period calculated on the revalued amount	<u>3,725</u>	<u>3,404</u>
Historical cost profit on ordinary activities before taxation	<u>141,771</u>	<u>142,831</u>
HISTORICAL COST PROFIT FOR THE FINANCIAL YEAR	<u>100,636</u>	<u>126,707</u>

S. HALL MOTORS (WARRINGTON) LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	4		1,268,213✓		1,289,647
Current assets					
Stocks	6	1,905,192 ✓		2,532,662	
Debtors	7	681,600 ✓		538,054	
Cash at bank and in hand		<u>1,131 ✓</u>		<u>615</u>	
		2,587,923 ✓		3,071,331	
Creditors: Amounts falling due within one year	8	(<u>3,055,620</u>) ✓		(<u>3,574,434</u>)	
Net current liabilities			(<u>467,697</u>)		(<u>503,103</u>)
Total assets less current liabilities			800,516		786,544
Creditors: Amounts falling due after more than one year	8		(<u>182,888</u>) ✓		(<u>265,827</u>)
			617,628		520,717
Capital and reserves					
Called up share capital	9		19,480 ✓		19,480
Revaluation reserve	10		455,302 ✓		455,302
Profit and loss account	10		<u>142,846</u> ✓		<u>45,935</u>
Equity shareholders' funds	11		617,628		520,717

Approved by the board on

30 April 1997

[Signature]
[Signature]

Directors

S. HALL MOTORS (WARRINGTON) LIMITED

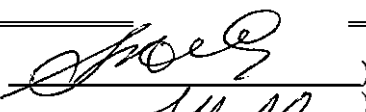

BALANCE SHEET

AS AT 31 DECEMBER 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	4		783,999		788,883
Investments	5		<u>10,000</u>		<u>10,000</u>
			793,999		798,883
Current assets					
Stocks	6	890,343		1,267,565	
Debtors	7	719,793		507,730	
Cash at bank and in hand		<u>250</u>		<u>250</u>	
		1,610,386		1,775,545	
Creditors: Amounts falling due within one year	8	<u>(1,934,023)</u>		<u>(2,089,408)</u>	
Net current liabilities			<u>(323,637)</u>		<u>(313,863)</u>
Total assets less current liabilities			470,362		485,020
Creditors: Amounts falling due after more than one year	8		<u>(93,304)</u>		<u>(134,151)</u>
			377,058		350,869
Capital and reserves					
Called up share capital	9		19,480		19,480
Revaluation reserve	10		405,645		405,645
Profit and loss account	10		<u>(48,067)</u>		<u>(74,256)</u>
Equity shareholders' funds			377,058		350,869

Approved by the Board on

30th April 1997



) Directors

S. HALL MOTORS (WARRINGTON) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1996

	Note	1996	1995
		£	£
Net cash inflow from operating activities	A	282,049 ✓	196,347
Returns on investments and servicing of finance			
Interest paid	(118,489) ✓	(131,403)	
Interest element of repayments under financing arrangements	(10,510) ✓	(10,258)	
Net cash outflow from returns on investments and servicing of finance		(128,999)	(141,661)
Taxation			
Corporation tax paid		(17,369) ✓	-
Investing activities			
Purchase of tangible fixed assets	(3,286) ✓	(80,711)	
Sale of tangible fixed assets	15,416 ✓	679	
Net cash inflow/(outflow) from investing activities		12,130	(80,032)
Net cash inflow/(outflow) before financing		147,811 ✓	(25,346)
Financing			
New loan	79,256 ✓	-	
Repayment of amounts borrowed	-	(56,711)	
Capital element of repayments under financing arrangements	(33,382) ✓	(38,217)	
Net cash inflow/(outflow) from financing	B	45,874 ✓	(94,928)
Increase/(decrease) in cash and cash equivalents	C	193,685 ✓	(120,274)

S. HALL MOTORS (WARRINGTON) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1996

<hr/>			
A. Reconciliation of operating profit to net cash inflow from operating activities		1996	1995
		£	£
Operating profit		267,045 ✓	281,088
Depreciation charges		71,455 ✓	65,086
Loss on sale of tangible fixed assets		-	1,402
Decrease/(increase) in stocks		627,470 ✓	(463,292)
Decrease/(increase) in debtors		(143,546) ✓	(7,364)
(Decrease)/increase in creditors		(540,375) ✓	319,427
		<u>282,049</u>	<u>196,347</u>
<hr/>			
B. Analysis of changes in financing during the year	Other loans	Bank loans	Financing arrangements
At 1 January 1995	180,000	356,771	33,481
Cash outflow from financing	-	(56,711)	(38,217)
Inception of financing arrangements	<u>-</u>	<u>-</u>	<u>66,549</u>
At 1 January 1996	180,000	300,060	61,813
Cash outflow from financing	-	-	(33,382)
Inception of financing arrangements	<u>-</u>	<u>79,256</u>	<u>62,151</u>
At 31 December 1996	<u>180,000</u>	<u>379,316</u>	<u>90,582</u>
<hr/>			
C. Cash and cash equivalents	Cash at bank and in hand	Bank overdraft	Total
	£	£	£
At 1 January 1995	12,883	(511,733)	(498,850)
Change in year	(12,268)	(108,006)	(120,274)
At 31 December 1995	615	(619,739)	(619,124)
Change in year	<u>516</u>	<u>193,169</u>	<u>193,685</u>
At 31 December 1996	<u>1,131</u>	<u>(426,570)</u>	<u>(425,439)</u>
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S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. OPERATING PROFIT

This is stated after charging/(crediting):

a. Turnover

All sales are made in the United Kingdom and relate to car trade activities.

b. Cost of sales and net operating expenses

	Year ended 31 December 1996			Year ended 31 December 1995		
	Continuing operations £	Discontinued operation £	Total £	Continuing operations £	Discontinued operation £	Total £
Cost of sales	14,980,001	-	14,980,001	13,371,717	-	13,371,717
Net operating expenses						
Distribution costs	112,047	-	112,047	96,385	-	96,385
Administrative expenses	696,481	102	696,583	539,035	5,870	544,905
Establishment overheads	256,987	-	256,987	258,810	-	258,810
Other operating income	(16,041)	-	(16,041)	(21,384)	-	(21,384)
	1,049,474	102	1,049,576	872,846	5,870	878,716
					1996	1995
					£	£

c. Directors' emoluments

Management remuneration (including pension contributions)

215,292 86,171

Emoluments (excluding pension contributions) of the chairman and highest paid director

137,702 37,533

The director's emoluments (excluding pension contributions) fell within the following range:

£10,001 - £15,000
£30,001 - £35,000
£35,001 - £40,000
£135,001 - £140,000

Number	Number
1	1
1	-
-	1
1	-

S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. OPERATING PROFIT (continued)

d. Staff costs

The average monthly number of employees during the year was:

	1996 Number	1995 Number
Management	12	12
Administration	18	21
Sales and services	<u>54</u>	<u>56</u>
	84	89

Staff costs during the year (including directors) amounted to:

	£	£
Wages and salaries	1,266,779	1,008,684
Social security costs	105,649	90,747
Other pension costs	<u>57,100</u>	<u>32,567</u>
	<u>1,429,528</u>	<u>1,131,998</u>

The company has made payments totalling £57,100 (1995 : £32,567) to a defined contribution pension scheme, the assets of which are held in an independently administered fund. The pension cost charge represents the total contributions payable to the fund.

e. Other Items

	1996 £	1995 £
Depreciation and amortisation		
- of owned tangible fixed assets	40,546	38,669
- of tangible fixed assets held under financing arrangements	30,909	26,417
Operating lease rentals		
- plant and machinery	18,105	18,105
- land and buildings	5,400	5,400
Auditors' remuneration		
- audit services		
- company	7,500	7,500
- group	12,300	12,000
- non-audit services	22,105	9,536
Profit on sale of tangible fixed assets	-	(1,402)
Grant released to profit and loss account	(16,041)	(21,384)

S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

2. INTEREST PAYABLE	1996	1995
	£	£
On bank loans, overdrafts and other loan	118,489	131,403
Hire purchase interest and finance lease charges	<u>10,510</u>	<u>10,258</u>
	128,999	141,661
	<u> </u>	<u> </u>
3. TAXATION		
On the profit on ordinary activities for the year:		
- corporation tax at 24.25% (1995 : 25%)	39,890	16,124
Adjustment in respect of previous years		
- corporation tax	<u>1,245</u>	<u>-</u>
	41,135	16,124
	<u> </u>	<u> </u>

The tax charge for the year has been increased by approximately £12,700 (1995 : £8,500) in respect of permanent timing differences and reduced by approximately £9,550 (1995 : £27,000) in respect of loss relief and increased by £2,575 (1995 : £Nil) in respect of deferred tax not provided.

S. HALL MOTORS (WARRINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures, fittings & computer equipment £	Motor vehicles £	Total £
a. Group				
Cost or valuation				
At 1 January 1996	1,208,384	323,315	75,492	1,607,191
Additions	-	20,420	45,017	65,437
Disposals	-	-	(33,980)	(33,980)
At 31 December 1996	1,208,384	343,735	86,529	1,638,648
At valuation in 1990	400,000	-	-	400,000
At valuation in 1991	700,000	-	-	700,000
At cost	108,384	343,735	86,529	538,648
	1,208,384	343,735	86,529	1,638,648
Depreciation				
At 1 January 1996	86,545	203,997	27,002	317,544
Charge for the year	20,165	25,969	25,321	71,455
Disposals	-	-	(18,564)	(18,564)
At 31 December 1996	106,710	229,966	33,759	370,435
Net book value				
At 31 December 1996	1,101,674 ✓	113,769 ✓	52,770 ✓	1,268,213 ✓
At 31 December 1995	1,121,839	119,318	48,490	1,289,647

The net book value of tangible fixed assets includes an amount of £79,724 (1995 : £64,373) in respect of assets held under financing arrangements.

S. HALL MOTORS (WARRINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

4. TANGIBLE FIXED ASSETS (continued)

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
b. Company				
Cost				
At 1 January 1996	761,741	226,662	44,023	1,032,426
Additions	-	8,553	45,017	53,570
Disposals	-	-	(33,980)	(33,980)
At 31 December 1996	761,741	235,215	55,060	1,052,016
At valuation in 1991	700,000	-	-	700,000
At cost	61,741	235,215	55,060	352,016
	761,741	235,215	55,060	1,052,016
Depreciation				
At 1 January 1996	64,988	154,425	24,130	243,543
Charge for the year	12,721	15,486	14,831	43,038
Disposals	-	-	(18,564)	(18,564)
At 31 December 1996	77,709	169,911	20,397	268,017
Net book value				
At 31 December 1996	684,032	65,304	34,663	783,999
At 31 December 1995	696,753	72,237	19,893	788,883

The net book value of tangible fixed assets includes an amount of £45,837 (1995 : £25,652) in respect of assets held under financing arrangements.

S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

4. TANGIBLE FIXED ASSETS (continued)	Group		Company	
	1996	1995	1996	1995
c. Land and buildings	£	£	£	£
The net book value of land and buildings comprised:				
Freehold land and buildings	528,198	538,012	528,198	538,012
Long leasehold properties	<u>573,476</u>	<u>583,827</u>	<u>155,834</u>	<u>158,741</u>
	<u>1,101,674</u>	<u>1,121,839</u>	<u>684,032</u>	<u>696,753</u>
On an historical cost basis land and buildings would be stated at:				
Cost	753,082	753,082	356,096	356,096
Accumulated depreciation	(<u>66,077</u>)	(<u>49,637</u>)	(<u>40,140</u>)	(<u>30,316</u>)
Net book value	<u>687,005</u>	<u>703,445</u>	<u>315,956</u>	<u>325,780</u>

5. FIXED ASSET INVESTMENTS

£

Shares in subsidiary undertaking at cost

At 1 January 1996 and at 31 December 1996

10,000

Details of subsidiary undertakings at 31 December 1996 were:

	County of registration	Principal activity	Proportion and class of shares held
S. Hall Motors (Birkenhead) Ltd	England and Wales	Motor Trade	Ordinary 100%
Goughs Lane (Motors) Ltd	England and Wales	Dormant	Ordinary 100%
Highland Motors Ltd	England and Wales	Dormant	Ordinary 100%
S. Hall Motors (Fleet) Ltd	England and Wales	Dormant	Ordinary 100%
Windmill Lane (Motors) Ltd	England and Wales	Dormant	Ordinary 100%
S. Hall Motors (Runcorn) Ltd	England and Wales	Dormant	Ordinary 100%

Voting rights are held in the same proportion as the ordinary share capital.

S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

6. STOCKS	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Finished goods and goods for resale	1,905,192	2,532,662	890,343	1,267,565
7. DEBTORS				
Trade debtors	511,225 ✓	363,367	286,037	237,062
Amounts owed by group undertakings	-	-	333,949	157,830
Director's loan account	-	14,624	-	14,624
Other debtors	156,407 ✓	107,586	94,448	98,123
Prepayments	13,968 ✓	52,477	5,359	91
	681,600	538,054	719,793	507,730
8. CREDITORS				
a. Amounts falling due within one year				
Bank loans and overdrafts	648,984 ✓	689,610	607,941	245,851
Other loan	180,000 ✓	180,000	120,000	120,000
Trade creditors	1,862,880 ✓	2,297,294	833,951	1,124,835
Amounts owed to group undertakings	-	-	130,860	349,802
Director's loan account	97 ✓	-	97	-
Corporation tax	41,483 ✓	17,717	23,623	16,124
Other taxation and social security	67,879 ✓	86,915	42,933	51,206
Obligations under financing arrangements	64,596 ✓	26,175	41,163	16,375
Other creditors	73,010 ✓	182,242	64,223	135,464
Accruals	116,691 ✓	94,481	69,232	29,751
	3,055,620	3,574,434	1,934,023	2,089,408

S. HALL MOTORS (WARRINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

8. CREDITORS (continued)	Group		Company	
	1996	1995	1996	1995
b. Amounts falling due after more than one year	£	£	£	£
Bank loans and overdrafts	156,902 ✓	230,189	76,667	116,667
Obligations under financing arrangements	<u>25,986 ✓</u>	<u>35,638</u>	<u>16,637</u>	<u>17,484</u>
	<u>182,888</u>	<u>265,827</u>	<u>93,304</u>	<u>134,151</u>

Bank loans and overdrafts are secured by a fixed and floating charge on the assets of S. Hall Motors (Warrington) Limited and a cross guarantee from other members of the group. The other loans are secured on vehicle stock. The consignment stock creditors, shown in trade creditors, of £689,956 (1995 : £1,532,172) are secured by a fixed charge over the company's assets.

c. Analysis of borrowings by year of repayment

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank loans and overdrafts fall due for repayment				
Within one year	648,984	689,610	607,941	245,851
Between one and two years	75,014	72,275	40,000	40,000
Between two and five years	<u>81,888</u>	<u>157,914</u>	<u>36,667</u>	<u>76,667</u>
	<u>805,886</u>	<u>919,799</u>	<u>684,608</u>	<u>362,518</u>
Other loans fall due for repayment:				
Within one year	<u>180,000</u>	<u>180,000</u>	<u>120,000</u>	<u>120,000</u>
Consignment creditors fall due for repayment:				
Within on year	<u>732,448</u>	<u>1,032,051</u>	<u>361,365</u>	<u>243,136</u>

S. HALL MOTORS (WARRINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

8. CREDITORS (continued)

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Obligations under financing arrangements were repayable as follows:				
Within one year	64,596	26,175	41,163	16,375
Between one and two years	25,986	29,620	16,637	17,484
Between two and five years	-	6,018	-	-
	<u>90,582</u>	<u>61,813</u>	<u>57,800</u>	<u>33,859</u>

9. SHARE CAPITAL

	1996	1995
	£	£
Authorised 100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid 19,480 ordinary shares of £1 each	<u>19,480</u>	<u>19,480</u>

S. HALL MOTORS (WARRINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

10. RESERVES

a. Group

	Revaluation reserve £	Profit and loss account £
At 1 January 1996	455,302	45,935
Retained profit for the year	-	<u>96,911</u>
At 31 December 1996	<u>455,302</u>	<u>142,846</u>

The retained profit for the year is
dealt with in the financial statements of:

	1996 £	1995 £
The company	26,189	32,394
Subsidiary undertakings	<u>70,722</u>	<u>90,909</u>
	<u>96,911</u>	<u>123,303</u>

b. Company

	Revaluation reserve £	Profit and loss account £
At 1 January 1996	405,645	(74,256)
Profit for the year	-	<u>26,189</u>
At 31 December 1996	<u>405,645</u>	<u>(48,067)</u>

S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

**11. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS' FUNDS**

	1996	1995
	£	£
Profit on ordinary activities after taxation	96,911	123,303
Shareholders' funds at 1 January 1996	<u>520,717</u>	<u>397,414</u>
Shareholders' funds at 31 December 1996	<u>617,628</u>	<u>520,717</u>

12. FINANCIAL COMMITMENTS

a. Commitments under operating leases

At 31 December 1996 the group and company had annual commitments under non-cancellable operating leases as follows:

	Group		Company
	1996	1995	1996
	£	£	£
Leases of land and buildings which expire:			
- after five years	5,400	5,400	-
Leases of plant and machinery which expire:			
Within one year	18,105	17,394	-

S. HALL MOTORS (WARRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

13. DIRECTORS INTERESTS

Included in debtors of the company is the following amount due from a director:

	At 31 December 1996 £	At 1 January 1996 £	Maximum amount outstanding during the year £
S Hall	-	14,624	99,903

No interest is charged on the loan, which is unsecured and was repaid in the year.

14. CONTINGENT LIABILITY

The company has guaranteed the bank borrowings of the other group companies which at 31 December 1996 amounted to £112,649.

15. CONTROL

The company was controlled by it's directors throughout this and the previous year.

As disclosed in the Directors' report, the directors are personally interested in 100 percent of the issued share capital of the company.