

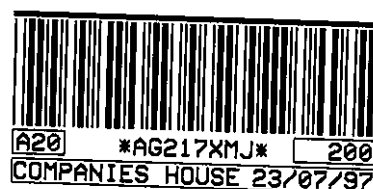


Bridgemere Tractors Limited

Abbreviated financial statements

30 September 1996

Registered number 2706759





Festival Way
Stoke-on-Trent
Staffordshire ST1 5TA

Report of the auditors to Bridgemere Tractors Limited pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 9 together with the financial statements of Bridgemere Tractors Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30 September 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts are properly prepared in accordance with those provisions.


Chartered Accountants
Registered Auditors

21 July 1997

Bridgemere Tractors Limited

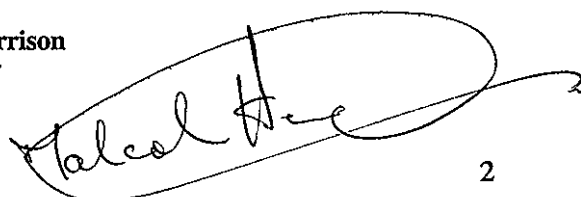
Balance sheet at 30 September 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	3	52,175	51,435
Investments	4	2	-
		<u>52,177</u>	<u>51,435</u>
Current assets			
Stocks		393,790	446,597
Debtors	5	281,303	161,970
Cash at bank and in hand		390	171
		<u>675,483</u>	<u>608,738</u>
Creditors: amounts falling due within one year	6	<u>(544,698)</u>	<u>(470,078)</u>
Net current assets		<u>130,785</u>	<u>138,660</u>
Total assets less current liabilities		<u>182,962</u>	<u>190,095</u>
Creditors: amounts falling due after more than one year		<u>(5,800)</u>	<u>(6,903)</u>
Net assets		<u>177,162</u>	<u>183,192</u>
Capital and reserves			
Called up share capital	7	100,900	100,900
Profit and loss account		76,262	82,292
		<u>177,162</u>	<u>183,192</u>
Shareholders' funds			
Non-equity		170,000	160,000
Equity		7,162	23,192
		<u>177,162</u>	<u>183,192</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors on 10 July 1997 and were signed on its behalf by:

MC Harrison
Director



Bridgemere Tractors Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

The financial statements have been prepared on a going concern basis. The validity of this assumption is dependent upon the continuing support of the company's bankers and directors.

One of the directors has provided a personal guarantee of £150,000 to cover the company's bank borrowings. The director has not indicated how long he will continue to provide this guarantee.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	20% per annum
Fixtures, fittings and office equipment	-	10% - 20% per annum
Computer equipment	-	50% per annum

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Bridgemere Tractors Limited

Notes (continued)

1 Accounting policies (continued)

Stocks

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the year.

2 Tangible fixed assets

	£
<i>Cost</i>	
At beginning of year	70,096
Additions	32,802
Disposals	(24,850)
	<hr/>
At end of year	78,048
	<hr/>
<i>Depreciation and diminution in value</i>	
At beginning of year	18,661
Charge for year	14,733
On disposals	(7,521)
	<hr/>
At end of year	25,873
	<hr/>
<i>Net book value</i>	
At 30 September 1996	52,175
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At 30 September 1995	51,435
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Bridgemere Tractors Limited

Notes (continued)

3 Fixed asset investments

	Share in subsidiary undertakings £
<i>Cost</i>	
At beginning of year	-
Addition	2
	<hr/>
At end of year	2
	<hr/>
<i>Net book value</i>	
At 30 September 1996	2
	<hr/>
At 30 September 1995	-
	<hr/>

During the year the company formed a 100% owned subsidiary, Moldova Wines Limited, a company registered in England and Wales whose principal activity is the importing and distribution of wines.

4 Debtors

Included within debtors is an amount owed by MC Harrison of £70,296 (1995: £5,402). The year end balance was the highest balance owed during the year.

5 Creditors: amounts falling due within one year

Included within creditors: amounts falling due within one year are bank loans and overdrafts amounting to £215,173 (1995: £206,170) which are secured by a fixed and floating charge over the assets of the company.

Bridgemere Tractors Limited

Notes (continued)

6 Called up share capital

	1996 £	1995 £
<i>Authorised</i>		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
<i>Allotted, called up and fully paid</i>		
800 A ordinary shares of £1 each	800	800
100 B ordinary shares of £1 each	100	100
100,000 redeemable preference shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<u>100,900</u>	<u>100,900</u>

The equity share capital is represented by "A" and "B" ordinary shares. The non-equity share capital is represented by preference shares.

Redemption rights

The preference shares are redeemable on 1 September 1997, although the company may at any time after 31 August 1994 redeem any or all of the preference shares upon giving not less than 90 days written notice.

The preference shares shall be redeemed immediately upon the date a successful offer to purchase 90% or more of the issued ordinary shares is completed, unless the holders of 75% of the preference shares give notice in writing to the contrary.

The redemption rate is £1 per share increased by a premium of ten pence per annum from 31 August 1992 until the date of repayment or redemption.

In July 1997 confirmation was obtained from RJ Howle, the holder of the 100,000 preference shares, that he would not demand redemption of these shares prior to 1 September 1998.

Dividend entitlements

The preference shares are entitled to a cumulative cash dividend of a sum equivalent to 25% of the net profits of the company, subject to the restriction that the preference dividends declared and paid or payable will not exceed 25% of the cumulative net profits from the date of incorporation.

No preference dividend or ordinary dividend shall be paid by the company prior to 31 August 1994.

There are no fixed entitlements to dividends for any of the classes of ordinary share.

Bridgemere Tractors Limited

Notes *(continued)*

6 Called up share capital *(continued)*

Voting rights

The preference shares will have one vote for each share held by them if:

- the preference dividend is in arrears, or the redemption of any of the preference shares is outstanding
- the business of the meeting includes the consideration of a resolution for winding up the company or reducing the share capital of the company.

Rights on a return of assets

The surplus assets of Bridgemere Tractors Limited remaining after the payment of its liabilities will, upon a liquidation or otherwise, be applied as follows:

- first, in paying to the holders of the preference shares a sum equivalent to the redemption rate together with a sum equal to any arrears or accruals of the preference dividend calculated down to the date of the return of capital
- second, in paying to the ordinary shareholders the sum of £1 per share
- third, in paying the balance of such assets to the holders of the ordinary shares *pari passu* as if they constituted one class.

Bridgemere Tractors Limited

Notes (continued)

7 Related party transactions

(i) *BCH Development Limited*

BCH Development Limited is a company controlled by J Howle, a director of Bridgemere Tractors Limited. The following related transactions occurred during the year:

	£
Sales	241
Purchases	383,500
Rent	25,896
Management fee	12,000
Building insurance	1,093
Loan	25,000
Commission	1,600

(ii) *Bridgemere Estates Limited*

Bridgemere Estates Limited is a company controlled by G Harrison, the daughter of M Harrison and Mrs J Harrison. The following related transactions occurred during the year:

	£
Management fee	65,323

Included in other debtors is an amount due from Bridgemere Estates Limited of £17,125, and in trade creditors an amount due to Bridgemere Estates Limited of £1,509.

(iii) *Telfer Machinery Limited*

Telfer Machinery Limited is a company owned by Mr and Mrs R Telfer, daughter and son-in-law of M Harrison and Mrs J Harrison. The following related transactions occurred during the year:

	£
Sales	274
Commission	1,000

Bridgemere Tractors Limited

Notes *(continued)*

7 Related party transactions *(continued)*

(iv) *Telfer Designs Limited*

Telfer Designs Limited is a company owned by Mr and Mrs R Telfer, daughter and son-in-law of M Harrison and Mrs J Harrison. The following related transactions occurred during the year:

	£
Sales	<u>169</u>

8 Ultimate holding company

The company's ultimate parent company is Bridgemere Holdings Limited.