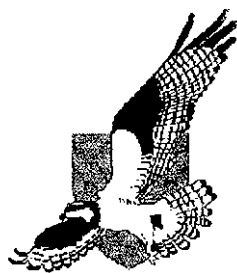


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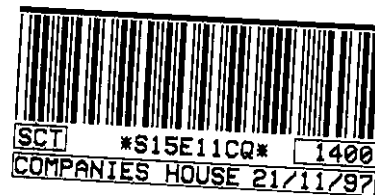
CAMERON MOTORS (PERTH) LIMITED

FINANCIAL STATEMENTS

31 MAY 1997



CAMERON
G R O U P



CAMERON MOTORS (PERTH) LIMITED

FINANCIAL STATEMENTS

31 MAY 1997

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CAMERON MOTORS (PERTH) LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the year ended 31 May 1997.

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the buying and selling of new and used motor vehicles, the supply of spare parts and vehicle servicing associated with its Volkswagen and Audi franchises.

TRADING RESULTS AND REVIEW OF THE BUSINESS

The profit for the year after taxation was £305,682 (1996 - £69,370). The directors do not propose the payment of a dividend and, accordingly, this amount has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year were as follows:

I D Cameron
M Cameron
C A Stewart
W D Anderson

None of the directors held any interest in the shares of the company during the year.

The interests of the directors in the shares of the parent company, Ian H Cameron Limited, are shown in the financial statements of that company.

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 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 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 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CAMERON MOTORS (PERTH) LIMITED

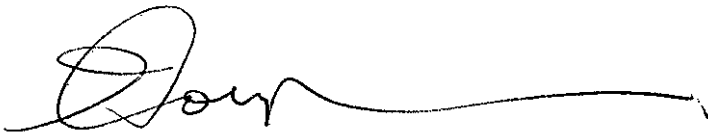
DIRECTORS' REPORT (continued)

AUDITORS

A resolution to re-appoint Friend & Co as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 13 October 1997.

Signed on behalf of the directors:

A handwritten signature in black ink, appearing to read 'I D Cameron', followed by a long horizontal flourish.

I D CAMERON
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS OF
CAMERON MOTORS (PERTH) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the accounting policies set out on page 6.

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 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 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 the company's affairs as at 31 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Friend & Co.

FRIEND & CO
Chartered Accountants and Registered Auditors

The Square
6 Vine Terrace
High Street
Harborne
Birmingham
B17 9PU

13 October 1997

CAMERON MOTORS (PERTH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	1	14,095,349	11,993,298
Cost of sales		12,814,466	10,868,806
GROSS PROFIT		1,280,883	1,124,492
Other income		(423,283)	(294,499)
Administrative expenses		1,283,020	1,346,208
OPERATING PROFIT		421,146	72,783
Interest receivable		(31,076)	(26,608)
Interest payable	2	230	233
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	451,992	99,158
Taxation	4	146,310	29,788
PROFIT FOR THE FINANCIAL YEAR	11	305,682	69,370
BALANCE BROUGHT FORWARD		1,927,592	1,858,222
BALANCE CARRIED FORWARD		<u>£2,233,274</u>	<u>£1,927,592</u>

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

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

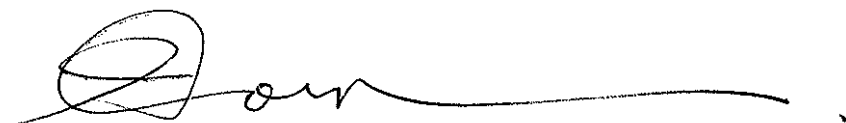
The notes on pages 6 to 10 form part of these financial statements.

CAMERON MOTORS (PERTH) LIMITED

BALANCE SHEET AT 31 MAY 1997

	<u>Notes</u>	£	<u>1997</u> £	<u>1996</u> £
FIXED ASSETS				
Tangible assets	5		569,357	581,212
CURRENT ASSETS				
Stocks held for resale	6	1,864,817		1,754,768
Debtors	7	1,658,555		1,671,835
Cash at bank and in hand		754,629		558,858
		<hr/>		<hr/>
		4,278,001		3,985,461
CREDITORS: amounts falling due within one year	8	2,544,184		2,565,188
		<hr/>		<hr/>
NET CURRENT ASSETS			1,733,817	1,420,273
			<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,303,174	2,001,485
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	9		49,900	53,893
			<hr/>	<hr/>
			<u>£2,253,274</u>	<u>£1,947,592</u>
			<hr/>	<hr/>
CAPITAL AND RESERVES				
Called up share capital	10		20,000	20,000
Profit and loss account			2,233,274	1,927,592
			<hr/>	<hr/>
	11		<u>£2,253,274</u>	<u>£1,947,592</u>
			<hr/>	<hr/>

These financial statements were approved by the board of directors on 13 October 1997 and signed on its behalf.



I D CAMERON, Director

The notes on pages 6 to 10 form part of these financial statements.

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS -- 31 MAY 1997

1. ACCOUNTING POLICIES

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

The principal accounting policies of the company, which remain unchanged from the previous year, are set out below.

a) Turnover

Turnover comprises income from sales and work done, excluding value added tax, and is all within the United Kingdom.

b) Tangible fixed assets

Depreciation is calculated, on an annual basis, so as to write off the cost of tangible fixed assets over their expected useful lives, as follows:

Property improvements	2% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	10% reducing balance
Computer equipment	25% straight line
Motor vehicles	33% straight line.

c) Stocks

Stocks are stated at the lower of cost and net realisable value. In accordance with Financial Reporting Standard No 5 stocks include vehicles on consignment from the manufacturer.

d) Deferred taxation

Deferred taxation is provided, using the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. Provision is made only where there is a reasonable probability that such tax will become payable in the foreseeable future.

e) Pensions

The company operates a pension scheme providing benefits based on defined contributions. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account as incurred.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<u>1997</u> £	<u>1996</u> £
Depreciation of tangible fixed assets	66,269	68,083
Auditors' remuneration	8,000	5,000
Bank interest payable	230	233
	<u> </u>	<u> </u>

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. DIRECTORS AND EMPLOYEES

Directors' remuneration

	<u>1997</u> £	<u>1996</u> £
Emoluments	220,524	384,066
Contributions to money purchase pension schemes	4,515	4,220
	<u>£225,039</u>	<u>£388,286</u>

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	<u>1997</u> £	<u>1996</u> £
Emoluments	£130,000	£297,000

	<u>1997</u> Number	<u>1996</u> Number
During the year the following number of directors accrued benefits under a money purchase pension scheme	1	1

	<u>1997</u> £	<u>1996</u> £
Staff costs comprise:		
Wages and salaries	861,062	970,307
Social security costs	82,721	91,890
Other pension costs	12,872	13,463
	<u>£956,655</u>	<u>£1,075,660</u>

The average weekly number of employees (including directors) during the year was 54 (1996 - 52).

4. TAXATION

	<u>1997</u> £	<u>1996</u> £
UK corporation tax based on the profit for the year at 32.7% (1996 - 29.2%)	150,338	30,888
Adjustment in respect of previous year	(35)	(858)
Deferred taxation credit	(3,993)	(242)
	<u>£146,310</u>	<u>£29,788</u>

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TANGIBLE FIXED ASSETS

	Property improve- ments £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
COST						
At 1 June 1996	452,258	163,351	115,602	81,474	74,788	887,473
Additions	8,621	11,044	3,914	1,049	92,245	116,873
Disposals	-	-	-	-	(89,249)	(89,249)
At 31 May 1997	460,879	174,395	119,516	82,523	77,784	915,097
ACCUMULATED DEPRECIATION						
At 1 June 1996	83,240	107,764	63,420	25,699	26,138	306,261
Charge for the year	9,045	8,788	5,467	20,631	22,338	66,269
Disposals	-	-	-	-	(26,790)	(26,790)
At 31 May 1997	92,285	116,552	68,887	46,330	21,686	345,740
NET BOOK VALUE						
At 31 May 1997	<u>£368,594</u>	<u>£57,843</u>	<u>£50,629</u>	<u>£36,193</u>	<u>£56,098</u>	<u>£569,357</u>
At 31 May 1996	<u>£369,018</u>	<u>£55,587</u>	<u>£52,182</u>	<u>£55,775</u>	<u>£48,650</u>	<u>£581,212</u>

The property improvements relate to buildings erected on land owned by the parent company, Ian H Cameron Limited.

6. STOCKS

	<u>1997</u> £	<u>1996</u> £
New vehicles	252,186	278,766
Used vehicles	1,071,347	871,018
Parts	133,348	140,444
Oils and consumables	10,574	8,000
Work in progress	1,961	3,671
Consignment vehicles	395,401	452,869
	<u>£1,864,817</u>	<u>£1,754,768</u>

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts falling due within one year:		
Trade debtors	188,594	430,021
Amounts owed by group undertakings	1,395,624	1,203,139
Prepayments and accrued income	74,337	38,675
	<hr/>	<hr/>
	<u>£1,658,555</u>	<u>£1,671,835</u>

8. CREDITORS: amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Trade creditors	484,903	486,082
Amounts owed to group undertakings	795,284	805,172
Corporation tax	150,338	30,888
Other taxes and social security	128,337	120,357
Directors' current accounts	365,710	261,309
Accruals	224,211	408,511
Consignment stock creditor	395,401	452,869
	<hr/>	<hr/>
	<u>£2,544,184</u>	<u>£2,565,188</u>

9. DEFERRED TAXATION

Full provision has been made at 31% (1996 - 33%) for the potential taxation arising in respect of:

	<u>1997</u>	<u>1996</u>
	£	£
Capital allowances in advance of depreciation	48,936	53,371
Other timing differences	964	522
	<hr/>	<hr/>
	<u>£49,900</u>	<u>£53,893</u>

Movement in provision during the year:

	£
At 1 June 1996	53,893
Credit for the year	(3,993)
	<hr/>
At 31 May 1997	<u>£49,900</u>

CAMERON MOTORS (PERTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Ordinary shares of £1 each:		
Authorised, issued and fully paid	<u>£20,000</u>	<u>£20,000</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Profit for the financial year	305,682	69,370
Opening shareholders' funds	<u>1,947,592</u>	<u>1,878,222</u>
Closing shareholders' funds	<u>£2,253,274</u>	<u>£1,947,592</u>

12. PENSION COSTS

The company operates a defined contribution scheme. The assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £12,872 (1996 - £13,463). No amounts were payable at the year end.

13. PARENT COMPANY

The company is a wholly owned subsidiary of Ian H Cameron Limited, a company registered in Scotland.