

Registered number:2069607

REGISTRARS COPY

THAMES SERVICE STATION (OVAL) LIMITED

FINANCIAL STATEMENTS

for the year ended

30TH APRIL 1997

GEO. LITTLE SEBIRE & CO

CHARTERED ACCOUNTANTS



THAMES SERVICE STATION (OVAL) LIMITEDDIRECTORS' REPORT

30th April 1997

The directors present their report and the audited financial statements for the year ended 30th April 1997.

Principal activity

The principal activity of the company was that of garage proprietors.

Business review

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £1,527.

During the year the company entered into an agreement with a supplier which is expected to secure the profitability of the company in future.

Profit and dividends

The results for the year are shown in the profit and loss account on page 4.

The directors do not propose payment of an ordinary dividend (1996:£0).

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30th April 1997	1st May 1996
	Ordinary shares	Ordinary shares
V. Khanna	-	-
A.E. Khanna	-	-

The interests of both directors are dealt with in the accounts of the ultimate holding company.

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

The auditors, Messrs Geo. Little, Sebire & Co. have signified their willingness to continue in office and a resolution to reappoint them will be put to the members at the next Annual General Meeting.

On behalf of the board



V. Khanna
Director

Registered office :
115 Addiscombe Road
Croydon
Surrey CRO 6SG.

Date: 20th November 1997

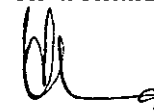
THAMES SERVICE STATION (OVAL) LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

On behalf of the board



V. Khanna
Director

Date: 20th November 1997

THAMES SERVICE STATION (OVAL) LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Thames Service Station (Oval) Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out in note 1 to the accounts.

Respective responsibilities of directors and auditors

As described on page 2, 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 error or other irregularity. 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 30th April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Geo Little Sebire + Co

Geo. Little, Sebire & Co.
Chartered Accountants and
Registered Auditors

26-28 Bartholomew Square
London EC1V 3QA.

Date: 20th November 1997

THAMES SERVICE STATION (OVAL) LIMITEDPROFIT AND LOSS ACCOUNT

for the year ended 30th April 1997

	Note	1997 £	1996 £
Turnover	2	1,845,888	2,066,846
Cost of sales		(1,789,202)	(1,934,869)
Gross profit		56,686	131,977
Net operating expenses			
Administrative expenses		(88,181)	(140,034)
Operating loss	3	(31,495)	(8,057)
Interest receivable	5	75,980	(15,283)
Interest payable	6	(5,557)	(10,361)
Profit/(loss) on ordinary activities before taxation		38,928	(33,701)
Taxation	7	(11,106)	4,903
Retained profit/(loss) for the year	16	27,822	(28,798)

Movements in reserves are shown in note 16.

There are no recognised gains and losses in 1997 or 1996 other than the profit/(loss) for the year.

The above results are all in respect of continuing operations.

THAMES SERVICE STATION (OVAL) LIMITEDBALANCE SHEET

at 30th April 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	6,082	138,278
Current assets			
Stocks	9	45,148	39,706
Debtors	10	310,130	98,502
Cash at bank and in hand		29,258	-
		<u>384,536</u>	<u>138,208</u>
Creditors: amounts falling due within one year	11	(226,747)	(286,666)
Net current assets/(liabilities)		<u>157,789</u>	<u>(148,458)</u>
Total assets less current liabilities		<u>163,871</u>	<u>(10,180)</u>
Creditors: amounts falling due after more than one year	12	(121,222)	(16,115)
Provision for liabilities and charges	13	(41,122)	-
		<u>1,527</u>	<u>(26,295)</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	1,427	(26,395)
Shareholders' funds	17	<u>1,527</u>	<u>(26,295)</u>

The financial statements on pages 4 to 12 were approved by the board of directors on 20th November 1997

V. Khanna



Director

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

Depreciation

Depreciation is calculated to write off the cost or valuation of all fixed assets over their estimated useful lives as follows:

Leasehold land and buildings	20% on cost
Plant and machinery	10 - 20% on cost
Fixtures and fittings	20% on cost

Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are included under tangible fixed assets and depreciated in accordance with the company's accounting policy for that class of asset. Interest is charged so as to give a periodic charge on the capital element outstanding and the capital elements of future payments are included within creditors.

Operating lease payments are charged to the profit and loss account as they arise.

Stocks

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

Deferred taxation

Deferred taxation is provided on the liability method to take account of material short term timing differences and all other material timing differences only to the extent that they are likely to reverse in the foreseeable future.

Cash flow statement

The company is exempt from the requirement to produce a cash flow statement on the grounds that it is a member of a group of which the ultimate holding company prepares a consolidated cash flow statement.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

3 Operating profit/(loss)

	1997	1996
	£	£
Operating profit/(loss) is stated after charging:		
Auditors' remuneration	2,400	2,400
Operating leases		
Rent	30,000	10,000
Depreciation owned assets	3,217	9,353
Depreciation leased assets	-	10,776
	<u> </u>	<u> </u>

4 Directors and employees

	1997	1996
	£	£
Staff costs including directors' emoluments		
Wages and salaries	58,007	68,383
Social security costs	4,901	5,868
	<u> </u>	<u> </u>
	62,908	74,251
	<u> </u>	<u> </u>

	Number	Number
Average number employed including executive directors		
Management and administration	1	1
Forecourt sales	7	7
	<u> </u>	<u> </u>
	8	8
	<u> </u>	<u> </u>

5 Interest receivable

	1997	1996
	£	£
Interest receivable from group company	75,980	-
Income tax written off	-	(15,283)
	<u> </u>	<u> </u>

Interest receivable from group companies represents interest on loans made by the company during the period from 1994 to 1997.

6 Interest payable

	1997	1996
	£	£
Bank interest	1,429	4,161
Interest payable on late payment of tax	-	40
Hire purchase interest	4,128	6,160
	<u> </u>	<u> </u>
	5,557	10,361
	<u> </u>	<u> </u>

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

7 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 24%/21% (1996:25%/24%)	-	-
Compensation for surrender of losses	(11,412)	-
Deferred taxation	23,553	-
	12,141	-
Over provision in earlier years	(1,035)	(4,903)
	11,106	(4,903)

8 Tangible fixed assets

	Plant and Equipment £	Fixtures and Fittings £	Leasehold Improvements £	Total £
Cost				
1st May 1996	196,881	25,649	24,869	247,399
Disposals	(179,942)	-	(24,869)	(204,811)
30th April 1997	16,939	25,649	-	42,588
Depreciation				
1st May 1996	64,301	23,192	21,628	109,121
Charge for year	2,097	1,120	-	3,217
Disposals	(54,204)	-	(21,628)	(75,832)
30th April 1997	12,194	24,312	-	36,506
Net book value				
30th April 1997	4,745	1,337	-	6,082
30th April 1996	132,580	2,457	3,241	138,278

9 Stocks

	1997 £	1996 £
Used vehicles	200	2,500
Forecourt	44,948	37,206
	45,148	39,706

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

10 Debtors

	1997	1996
	£	£
Amounts falling due within one year		
Trade debtors	3,757	18,693
Amounts owed by group undertakings	204,668	53,301
Other debtors	1,488	13,568
Prepayments and accrued income	100,217	12,940
	310,130	98,502

11 Creditors: amounts falling due within one year

	1997	1996
	£	£
Bank overdrafts	-	30,709
Trade creditors	136,902	160,001
Other loans	38,667	35,738
Amounts owed to group undertakings	1,337	4,816
Corporation tax	1,769	4,275
Other taxation and social security	5,598	9,787
Other creditors	11,046	3,570
Accruals and deferred income	15,313	4,325
Finance leases and HP contracts - note 12	16,115	33,445
	226,747	286,666

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

- 12 Creditors: amounts falling due
after more than one year

	1997 £	1996 £
Other loans	121,222	16,115
	<u>121,222</u>	<u>16,115</u>
Maturity of debt included above		
In one year or less, or on demand	38,667	35,738
Between one and two years	38,667	-
Between two and five years	82,555	-
	<u>159,889</u>	<u>35,738</u>

Other loans and trade creditors totalling £20,299 are secured by a charge over the company's assets.

**Obligations under finance leases
and hire purchase contracts**

Amounts included above are repayable
over varying periods by monthly
instalments as follows:

In the next year	16,115	33,445
In the second to fifth years	-	16,115
	<u>16,115</u>	<u>49,560</u>

The outstanding balance is in relation to plant and equipment with a net book value of £95,188 transferred to a group company at the beginning of the year.

- 13 Provision for liabilities and charges

	Profit and loss account £	1997 £
Supplier incentive clawback	17,569	17,569
Deferred taxation (notes 7 and 14)	23,553	23,553
	<u>41,122</u>	<u>41,122</u>

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

14 Deferred taxation

	1997		1996	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Accelerated capital allowances	2,000	-	10,800	-
Other timing differences	23,553	23,553	-	-
	<u>25,553</u>	<u>23,553</u>	<u>10,800</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 31% (1996 25%/24%).

15 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Share Capital	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Share Capital	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

16 Profit and loss account

	1997 £
1st May 1996	(26,395)
Retained profit for the year	<u>27,822</u>
30th April 1997	<u>1,427</u>

17 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit/(loss) for the financial year representing a	27,822	(28,798)
Net addition to/(subtraction from) shareholders' funds		
Opening shareholders' funds	<u>(26,295)</u>	<u>2,503</u>
Closing shareholders' funds	<u>1,527</u>	<u>(26,295)</u>

THAMES SERVICE STATION (OVAL) LIMITEDNOTES ON FINANCIAL STATEMENTS

30th April 1997

18 Contingencies

The company is liable with group companies to it's bankers in respect of overdrafts operated by those companies under the terms of a unlimited multilateral guarantee. The full potential liability at the balance sheet date was £nil.

During the year the company commenced legal proceedings against a former supplier of petroleum products for non compliance of an agreement to support petroleum sales margins. The amount of the claim for loss of profits is in the region of £117,000. The supplier has not admitted liability and the claim is in the process of litigation. This is not included in the accounts. The provision included in the accounts as shown in note 13 represents an amount claimed by the supplier for non performance of sales and is part of the dispute.

The directors are unable to quantify the likelihood of the claim being successful but they are of the opinion that there are sufficient grounds on which to continue with the action. In the event of the claim being successful the company would be subject to tax on the compensation as though it were trading income.

19 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was T S S Group PLC, a company registered in England and Wales.