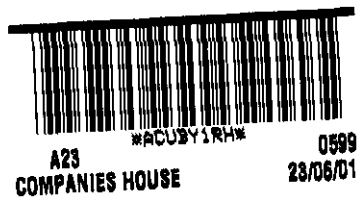


Registered number
227621

A. G. POTTER (FRAMLINGHAM) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2000



Scrutton Bland
Chartered Accountants
Sanderson House
Museum Street
Ipswich

A. G. POTTER (FRAMLINGHAM) LIMITED

CONTENTS

	Pages
Directors, officers and advisers	1
Directors' report	2 - 3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 16

The following pages do not form part of the statutory financial statements :

Direct expenses, indirect expenses and other operating income	17 - 18
--	---------

A. G . POTTER (FRAMLINGHAM) LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors A. J. Potter (Chairman)
 Allan J. Potter (Managing)
 J. H. Carr (Sales)
 G. L. Cullingford (After Sales)

Secretary Allan J. Potter

Registered Office Station Road
 Framlingham
 Suffolk
 IP13 9EE

Registered Number 227621

Auditors Scrutton Bland
 Sanderson House
 Museum Street
 Ipswich
 IP1 1HE

Bankers Barclays Bank Plc
 Suffolk Coastal Group
 8 Church Street
 Woodbridge
 Suffolk
 IP12 1DJ

A. G. POTTER (FRAMLINGHAM) LIMITED

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2000.

Principal activity

The principal activity of the company in the year under review was that of garage proprietor.

Results, dividends and future developments

The trading profit for the year, after taxation, amounted to £29,324 (1999: loss £61,618).

The directors recommend the payment of a preference dividend of 6% (1999: 6%) and a dividend on the ordinary shares of 20% (1999: 20%).

Fixed assets

The changes in fixed assets during the year are summarised in the notes to the financial statements.

In the opinion of the directors the market value of the freehold property is in excess of the cost.

Directors

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

	1999			
	Ord	Pref	Ord	Pref
A. J. Potter	9,663	15,392	8,663	15,392
Allan J. Potter	9,250	3,350	9,250	3,350
J. H. Carr	-	200	-	200
G. L. Cullingford	-	200	-	200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A. G. POTTER (FRAMLINGHAM) LIMITED

DIRECTORS' REPORT

Directors' responsibilities for the financial statements

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 judgments 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Political and charitable contributions

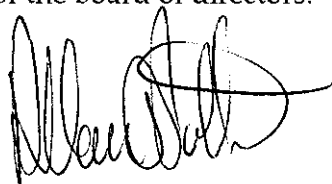
Charitable contributions made during the year amounted to less than £200. There were no political contributions.

Auditors

The auditors, Scrutton Bland, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed by order of the board of directors.

Allan J. Potter
Secretary



Approved by the board on 13 June 2001

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF A. G. POTTER
(FRAMLINGHAM) LIMITED**

We have audited the financial statements on pages 5 to 16, which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

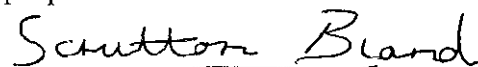
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

Ipswich
13 June 2001

A. G. POTTER (FRAMLINGHAM)LIMITED

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2000**

	Notes	£	1999 £
Turnover		11,053,464	10,723,235
Cost of sales		(9,984,991)	(9,717,514)
Gross profit		1,068,473	1,005,721
Distribution costs		(638,866)	(667,322)
Administrative expenses		(390,216)	(383,411)
		39,391	(45,012)
Other operating income		50,026	32,790
Operating profit/(loss)	2	89,417	(12,222)
Interest payable	4	(57,866)	(51,679)
Profit/(loss) on ordinary activities before taxation		31,551	(63,901)
Tax on profit/(loss) on ordinary activities	5	(2,227)	2,283
Profit/(loss) on ordinary activities after taxation		29,324	(61,618)
Dividends	6	(6,610)	(6,610)
Retained profit/(loss) for the financial year	14	£22,714	£(68,228)

Continuing Operations

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

Total recognised gains and losses

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

A. G. POTTER (FRAMLINGHAM) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2000**

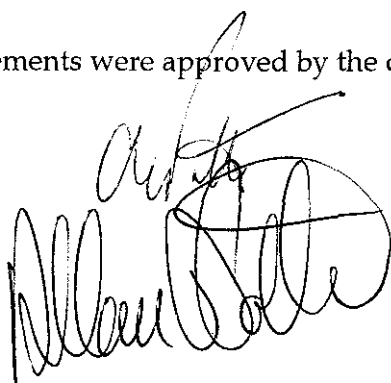
	Notes	£	1999 £
Fixed assets			
Tangible assets	7	1,513,357	1,546,736
Current assets			
Stocks	8	777,693	662,306
Debtors	9	377,936	372,865
Cash at bank and in hand		838	1,697
		1,156,467	1,036,868
Creditors: amounts falling due within one year	10	(1,001,844)	(913,018)
Net current assets		154,623	123,850
Total assets less current liabilities		1,667,980	1,670,586
Creditors: amounts falling due after more than one year	11	(79,940)	(105,260)
		<u>£1,588,040</u>	<u>£1,565,326</u>
Capital and reserves			
Called up share capital	13	57,047	57,047
Share premium account	14	4,000	4,000
Capital reserve	14	58,575	58,575
Profit and loss account	14	1,468,418	1,445,704
Shareholders' funds - equity and non-equity interests	15	<u>£1,588,040</u>	<u>£1,565,326</u>

The financial statements were approved by the directors on **13 June 2001**

A. J. Potter

Allan J. Potter

Directors



A. G. POTTER (FRAMLINGHAM) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2000

	£	£	1999	
			£	£
Net cash inflow from operating activities (note 1)		366,025		637,732
Returns on investments and servicing of finance				
Interest paid	(36,214)		(31,953)	
Dividends paid	(2,057)		(2,057)	
Interest element of hire purchase contracts	(21,652)		(19,726)	
Net cash outflow from returns on investments and servicing of finance		(59,923)		(53,736)
Taxation				
Tax paid		-		(58)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(30,044)		(72,485)	
Sale of tangible fixed assets	11,044		47,730	
Net cash outflow from capital expenditure and financial investment		(19,000)		(24,755)
Equity dividends paid		(4,553)		(4,553)
Net cash inflow before financing		282,549		554,630
Financing				
Ford finance received	81,044		-	
Ford finance repaid	-		(161,040)	
Capital element of hire purchase contracts and finance lease payments	(396,356)		(470,836)	
Net cash outflow from financing		(315,312)		(631,876)
Decrease in cash		£(32,763)		£(77,246)
Reconciliation of net cash flow to movement in net debt (note 2)				
Decrease in cash in the year		(32,763)		(77,246)
Net debt at 1 January 2000		(282,520)		(205,274)
Net debt at 31 December 2000		£(315,283)		£(282,520)

A. G. POTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2000**

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

		1999
	£	£
Operating profit/(loss)	89,417	(12,222)
Depreciation	50,379	59,237
Loss/(profit) on disposal of fixed assets	2,000	(676)
Decrease in stocks	340,592	575,861
Decrease in debtors	(5,071)	(116,880)
(Decrease)/increase in creditors	(111,292)	132,412
Net cash inflow from operating activities	<u>£366,025</u>	<u>£637,732</u>

2 Analysis of net debt

	At 1 January 2000 £	Cashflow £	At 31 December 2000 £
Cash in hand	1,697	(859)	838
Bank overdraft	(284,217)	(31,904)	(316,121)
	<u>£(282,520)</u>	<u>£(32,763)</u>	<u>£(315,283)</u>

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents net invoiced sales of goods, excluding VAT. All sales were made within the United Kingdom.

Tangible fixed assets

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

Freehold buildings	-	Nil
Plant and machinery	-	15% on reducing balance
Fixtures and fittings	-	15% on reducing balance
Motor vehicles	-	based on market value at year end
Computer equipment	-	28.57% (over a three and a half year basis) on cost

No depreciation is provided on freehold properties since the directors consider that residual values are such that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the profit and loss account.

Stocks

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.

Taxation

The charge for taxation is based on the profit for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation to the extent that, in the opinion of the directors, there is reasonable probability that the liability will arise in the foreseeable future. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise.

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES (continued)

Leases and hire purchase

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet with an equivalent liability included under creditors. An asset held under a finance lease is depreciated over the shorter of the lease term and its useful life, whilst an asset acquired under a hire purchase contract is depreciated over its useful life. The interest element of the amount payable is charged to the profit and loss account and the capital element reduces the liability in the balance sheet.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

2 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting)

		1999
	£	£
Depreciation of tangible fixed assets	50,379	59,237
Auditors' fees and expenses	8,000	8,000
Directors' remuneration (see below)	103,314	100,295
Loss/(profit) on sale of fixed assets	2000	(676)
Rental income	(18,083)	(13,181)
Directors' remuneration		
Aggregate emoluments	96,978	92,785
Contributions to money purchase pension schemes	6,336	7,510
	<u>£103,314</u>	<u>£100,295</u>

Contributions to a money purchase pension scheme were made on behalf of three directors.

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2000

3 STAFF COSTS

		1999
	£	£
Wages and salaries	551,998	564,435
Social security costs	42,348	42,275
Other pension costs	6,336	8,194
	<u>£600,682</u>	<u>£614,904</u>
The average weekly number of employees during the year was made up as follows	No.	No.
Office Salesmen and management	22	25
Garage workshops	26	31
	<u>48</u>	<u>56</u>

Staff data includes directors.

4 INTEREST PAYABLE

		1999
	£	£
Bank loans and overdrafts	21,323	16,946
Hire purchase interest	21,652	19,726
Other loans wholly repayable within five years	14,891	15,007
	<u>£57,866</u>	<u>£51,679</u>

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

		1999
	£	£
Corporation tax at 20% (1999: Nil%) based on result for the year	2,227	-
Overprovision in prior year	-	(2,283)
	<u>£2,227</u>	<u>£(2,283)</u>

A. G. POTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000**

6 DIVIDENDS PROPOSED

	£	1999 £
Ordinary (20%) (1999: 20%)	4,553	4,553
Preference (6%) (1999: 6%)	2,057	2,057
	<u>£6,610</u>	<u>£6,610</u>

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant machinery and fixtures £	Computer equipment £	Own Motor vehicles £	Total £
Cost					
At 1 January 2000	1,345,050	391,770	137,528	64,932	1,939,280
Additions	-	27,500	2,544	-	30,044
Disposals	-	-	-	(23,377)	(23,377)
At 31 December 2000	<u>1,345,050</u>	<u>419,270</u>	<u>140,072</u>	<u>41,555</u>	<u>1,945,947</u>
Depreciation					
At 1 January 2000	-	261,314	108,956	22,274	392,544
Charge for the year	-	23,693	22,137	4,549	50,379
Disposals	-	-	-	(10,333)	(10,333)
At 31 December 2000	<u>-</u>	<u>285,007</u>	<u>131,093</u>	<u>16,490</u>	<u>432,590</u>
Net book values					
At 31 December 2000	<u>£1,345,050</u>	<u>£134,263</u>	<u>£8,979</u>	<u>£25,065</u>	<u>£1,513,357</u>
At 31 December 1999	<u>£1,345,050</u>	<u>£130,456</u>	<u>£28,572</u>	<u>£42,658</u>	<u>£1,546,736</u>

The charge for depreciation includes £20,281 (1999: £21,116) in respect of assets held under a finance lease. At 31 December 2000 the net book value of these assets was £26,787 (1999: £47,068).

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2000

8 STOCKS

		1999
	£	£
New vehicles	33,464	101,521
Used vehicles	557,567	383,398
Parts and other goods for resale	186,662	177,387
	<u>£777,693</u>	<u>£662,306</u>

There is no material difference between the book value of stocks and replacement cost.

9 DEBTORS

		1999
	£	£
Trade debtors	327,001	354,546
Prepayments and accrued income	8,411	9,024
Other debtors	42,524	9,295
	<u>£377,936</u>	<u>£372,865</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		1999
	£	£
Bank overdraft and other loans (secured)	316,121	269,017
Finance facilities - Ford Credit Europe Plc	126,644	45,600
Obligations under finance leases and hire purchase contracts	274,119	204,376
Trade creditors	168,301	258,955
Other taxes and social security costs	41,013	50,034
Other creditors	32,404	41,974
Accruals and deferred income	34,405	36,452
Proposed dividend	6,610	6,610
Corporation tax	2,227	-
	<u>£1,001,844</u>	<u>£913,018</u>

The bank overdraft is secured by debenture, and first legal charges over freehold properties.
The finance facilities are secured on stocks of the company.

A. G. POTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000**

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		1999
	£	£
Petrol Company support received in advance - deferred income (see below)	43,067	58,267
Obligations under finance leases and hire purchase contracts - all due within one to two years	36,873	46,993
	<u>£79,940</u>	<u>£105,260</u>

		1999
	£	£
The maturity of the petrol company support is as follows :		
Amounts falling due within 1-2 years	15,200	15,200
Amounts falling due within 2-5 years	27,867	43,067
	<u>£43,067</u>	<u>£58,267</u>

12 DEFERRED TAXATION

No provision is required for deferred taxation.

13 CALLED UP SHARE CAPITAL

		1999
	No.	No.
Authorised		
Ordinary shares of £1 each	25,000	25,000
6% preference shares of £1 each	35,000	35,000
	<u>60,000</u>	<u>60,000</u>
	£	£
Allotted, called up and fully paid		
Ordinary Shares of £1 each	22,763	22,763
6% preference shares of £1 each	34,284	34,284
	<u>£57,047</u>	<u>£57,047</u>

Preference shareholders have no rights other than preference over ordinary shareholders on winding up for repayment of capital.

A. G. POTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000**

14 RESERVES

	Share premium account £	Capital reserve £	Profit and loss account £	Total £
At 1 January 2000	4,000	58,575	1,445,704	1,508,279
Profit for the year	-	-	22,714	22,714
At 31 December 2000	<u>£4,000</u>	<u>£58,575</u>	<u>£1,468,418</u>	<u>1,530,993</u>

15 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	£	1999 £
Profit/(loss) for the financial year after taxation	29,324	(61,618)
Dividends	(6,610)	(6,610)
	<u>22,714</u>	<u>(68,228)</u>
Opening shareholders' funds at 1 January 2000	1,565,326	1,633,554
Closing shareholders' funds at 31 December 2000	<u>£1,588,040</u>	<u>£1,565,326</u>
	<u>£</u>	<u>£</u>
Equity shareholders' funds	1,551,699	1,528,985
Non-equity shareholders' funds	36,341	36,341
	<u>£1,588,040</u>	<u>£1,565,326</u>

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2000

16 RELATED PARTY DISCLOSURES

The directors have a beneficial interest in 83% of the ordinary voting shares and 15% of the preference shares of the company as disclosed in the directors report. There is no person or party who, without acting in concert with other parties, would be able to control the company.

Included in other debtors is a loan to Allan Potter which is interest free and repayable on demand. The balance outstanding on the loan at 31 December 2000 was £7,000 (1999: £7,000) which was also the maximum outstanding during the year. In addition, included within trade debtors are balances totaling £20,947 due from Allan Potter which arose on transactions undertaken with the company. This was the maximum amount outstanding during the year.

There were no other material transactions during the year between the company and any of the directors or members of their close family or with entities controlled by them, other than those disclosed under directors emoluments in note 2 to the financial statements and dividend payments to the directors of £4,931 (1999: £4,731).