Registered number
227621

A. G. POTTER (FRAMLINGHAM) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2001

Scrutton Bland
Chartered Accountants
Sanderson House
Museum Street
Ipswich

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A. G. POTTER (FRAMLINGHAM) LIMITED

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A. G . POTTER (FRAMLINGHAM) LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors	A. J. Potter (Chairman) Allan J. Potter (Managing) J. H. Carr (Sales) (retired 4 August 2001) 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 2001.

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 loss for the year, after taxation, amounted to £80,718 (2000: profit £29,324).

The directors recommend the payment of a preference dividend of 6% (2000: 6%) and a dividend on the ordinary shares of 20% (2000: 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:

			2000	
	Ord	**Pref**	*Ord*	*Pref*
A. J. Potter	9,663	1,450	9,663	1,450
Allan J. Potter	9,250	3,350	9,250	3,350
G. L. Cullingford	-	200	-	200

On the event of the retirement of J. H. Carr, the company redeemed his holding of 200 £1 preference shares at par.

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.

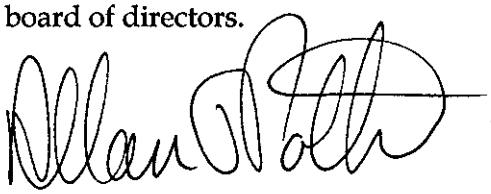
Political and charitable contributions

Charitable contributions made during the year amounted to £235. 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 30 April 2002

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Scrutton Bland

SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

Ipswich
30 April 2002

A. G. POTTER (FRAMLINGHAM)LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2001

	Notes		2000
		£	£
Turnover		11,280,624	*11,053,464*
Cost of sales		(10,287,563)	*(9,984,991)*
Gross profit		993,061	*1,068,473*
Distribution costs		(651,746)	*(638,866)*
Administrative expenses		(395,893)	*(390,216)*
		(54,578)	*39,391*
Other operating income		38,571	*50,026*
Operating profit	2	(16,007)	*89,417*
Interest payable	4	(66,938)	*(57,866)*
(Loss)/profit on ordinary activities before taxation		(82,945)	*31,551*
Tax on (loss)/profit on ordinary activities	5	2,227	*(2,227)*
(Loss)/profit on ordinary activities after taxation		(80,718)	*29,324*
Dividends	6	(6,598)	*(6,610)*
Retained (loss)/profit for the financial year	14	£(87,316)	*£22,714*

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 2001

	Notes	£	2000 £
Fixed assets			
Tangible assets	7	1,661,137	*1,513,357*
Current assets			
Stocks	8	833,665	*777,693*
Debtors	9	358,588	*377,936*
Cash at bank and in hand		943	*838*
		1,193,196	*1,156,467*
Creditors: amounts falling due within one year	10	(1,291,434)	*(1,001,844)*
Net current (liabilities)/assets		(98,238)	*154,623*
Total assets less current liabilities		1,562,899	*1,667,980*
Creditors: amounts falling due after more than one year	11	(62,375)	*(79,940)*
		£1,500,524	*£1,588,040*
Capital and reserves			
Called up share capital	13	56,847	*57,047*
Share premium account	14	4,000	*4,000*
Capital reserve	14	58,775	*58,575*
Profit and loss account	14	1,380,902	*1,468,418*
Shareholders'funds - equity and non-equity interests	15	£1,500,524	*£1,588,040*

The financial statements were approved by the directors on 30 April 2002

A. J. Potter

Allan J. Potter

Directors

A. G. POTTER (FRAMLINGHAM) LIMITED

CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2001

			2000	
	£	£	£	£
Net cash inflow from operating activities (note 1)		456,250		*366,025*
Returns on investments and servicing of finance				
Interest paid	(37,656)		*(36,214)*	
Dividends paid	(2,045)		*(2,057)*	
Interest element of hire purchase contracts	(29,282)		*(21,652)*	
Net cash outflow from returns on investments and servicing of finance		(68,983)		*(59,923)*
Taxation				
Tax paid		(2,227)		-
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(194,860)		*(30,044)*	
Sale of tangible fixed assets	11,380		*11,044*	
Net cash outflow from capital expenditure and financial investment		(183,480)		*(19,000)*
Equity dividends paid		(4,553)		*(4,553)*
Net cash inflow before financing		197,007		*282,549*
Financing				
Ford finance received	-		*81,044*	
Ford finance repaid	(42,387)		-	
Repurchase of preference share capital	(200)		-	
Capital element of hire purchase contracts and finance lease payments	(477,699)		*(396,356)*	
Net cash outflow from financing		(520,286)		*(315,312)*
Decrease in cash		£(323,279)		*£(32,763)*
Reconciliation of net cash flow to movement in net debt (note 2)				
Decrease in cash in the year		(323,279)		*(32,763)*
Net debt at 1 January 2001		(315,283)		*(282,520)*
Net debt at 31 December 2001		£(638,562)		*£(315,283)*

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2001

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

	£	2000 £
Operating (loss)/profit	(16,007)	*89,417*
Depreciation	36,480	*50,379*
Loss/(profit) on disposal of fixed assets	*(780)*	*2,000*
Decrease in stocks	394,453	*340,592*
Decrease/(increase) in debtors	25,817	*(5,071)*
Increase/(decrease) in creditors	16,287	*(111,292)*
Net cash inflow from operating activities	£456,250	*£366,025*

2 Analysis of net debt

	At 1 January 2001	Cashflow	At 31 December 2001
	£	£	£
Cash in hand	838	105	943
Bank overdraft	(316,121)	(323,384)	(639,505)
	£(315,283)	£(323,279)	£(638,562)

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

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.

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)

		2000
	£	£
Depreciation of tangible fixed assets	36,480	*50,379*
Operating lease rentals - plant and machinery	517	-
Auditors' fees and expenses	7,750	*8,000*
Directors' remuneration (see below)	116,037	*103,314*
Loss/(profit) on sale of fixed assets	780	*2,001*
Rental income	(11,029)	*(18,083)*
Directors' remuneration		
Aggregate emoluments	107,701	*96,978*
Contributions to money purchase pension schemes	8,336	*6,336*
	£116,037	*£103,314*

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

3 STAFF COSTS

	£	2000 £
Wages and salaries	585,274	*551,998*
Social security costs	44,231	*42,348*
Other pension costs	8,336	*6,336*
	£637,841	*£600,682*
The average weekly number of employees during the year was made up as follows	No.	*No.*
Office Salesmen and management	25	*22*
Garage workshops	31	*26*
	56	*48*

Staff data includes directors.

4 INTEREST PAYABLE

	£	2000 £
Bank loans and overdrafts	31,985	*21,323*
Hire purchase interest	29,282	*21,652*
Other loans wholly repayable within five years	5,671	*14,891*
	£66,938	*£57,866*

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	£	2000 £
Corporation tax charge/(credit) at 20% (2000: 20%) based on result for the year	(1,238)	*2,227*
Overprovision in prior year	(989)	*-*
	£(2,227)	*£2,227*

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

6 DIVIDENDS PROPOSED

		2000
	£	£
Ordinary (20%) (2000: 20%)	4,553	4,553
Preference (6%) (2000: 6%)	2,045	2,057
	£6,598	£6,610

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant machinery and fixtures	Computer equipment	Own Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2001	1,345,050	419,270	140,072	41,555	1,945,947
Additions	120,000	42,302	6,252	26,306	194,860
Disposals	-	-	-	(17,681)	(17,681)
At 31 December 2001	1,465,050	461,572	146,324	50,180	2,123,126
Depreciation					
At 1 January 2001	-	285,007	131,093	16,490	432,590
Charge for the year	-	26,185	6,855	3,440	36,480
Disposals	-	-	-	(7,081)	(7,081)
At 31 December 2001	£ -	£311,192	£137,948	£12,849	£461,989
Net book values					
At 31 December 2001	£1,465,050	£150,380	£8,376	£37,331	£1,661,137
At 31 December 2000	£1,345,050	£134,263	£8,979	£25,065	£1,513,357

The charge for depreciation includes £4,018 (2000: £20,281) in respect of assets held under a finance lease. At 31 December 2001 the net book value of these assets was £22,769 (2000: £26,787).

Included within additions to freehold land and buildings in the year is a property at a cost of £120,000 which is, currently, held as an investment property.

8 STOCKS

	£	2000 £
New vehicles	22,708	*33,464*
Used vehicles	612,446	*557,567*
Parts and other goods for resale	198,511	*186,662*
	£833,665	*£777,693*

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

9 DEBTORS

	£	2000 £
Trade debtors	265,211	*327,001*
Prepayments and accrued income	83,365	*8,411*
Other debtors	10,012	*42,524*
	£358,588	*£377,936*

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	2000 £
Bank overdraft and other loans (secured)	639,505	*316,121*
Finance facilities - Ford Credit Europe Plc	84,257	*126,644*
Obligations under finance leases and hire purchase contracts	249,248	*274,119*
Trade creditors	178,463	*168,301*
Other taxes and social security costs	26,380	*41,013*
Other creditors	50,306	*32,404*
Accruals and deferred income	50,208	*34,405*
Proposed dividend	6,598	*6,610*
Corporation tax	6,469	*2,227*
	£1,291,434	*£1,001,844*

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

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£	2000 £
Petrol Company support received in advance - deferred income (see below)	27,905	*43,067*
Obligations under finance leases and hire purchase contracts - all due within one to two years	34,470	*36,873*
	£62,375	*£79,940*

	£	2000 £
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	12,705	*27,867*
	£27,905	*£43,067*

12 DEFERRED TAXATION

No provision is required for deferred taxation. There is a potential deferred tax asset which has not been provided of £20,620 (2000: £7,014).

13 CALLED UP SHARE CAPITAL

	No.	2000 No.
Authorised		
Ordinary shares of £1 each	25,000	*25,000*
6% preference shares of £1 each	35,000	*35,000*
	60,000	*60,000*
	£	£
Allotted, called up and fully paid		
Ordinary Shares of £1 each	22,763	*22,763*
6% preference shares of £1 each	34,084	*34,284*
	£56,847	*£57,047*

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

14 RESERVES

	Share premium account	Capital reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2001	4,000	58,575	1,468,418	1,530,993
(Loss) for the year	-	-	(87,316)	(87,316)
Redemption of preference shares	-	200	(200)	-
At 31 December 2001	£4,000	£58,775	£1,380,902	£1,443,677

15 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

		2000
	£	£
Profit/(loss) for the financial year after taxation	(80,718)	*29,324*
Dividends	(6,598)	*(6,610)*
Repurchase of preference share capital	(200)	-
	(87,516)	*22,714*
Opening shareholders' funds at 1 January 2001	1,588,040	*1,565,326*
Closing shareholders' funds at 31 December 2001	£1,500,524	*£1,588,040*

	£	£
Equity shareholders' funds	1,464,395	*1,551,699*
Non-equity shareholders' funds	36,129	*36,341*
	£1,500,524	*£1,588,040*

16 COMMITMENTS

Lease Commitments - operating leases

At 31 December 2001 the company had annual commitments of £1,204 (2000: £Nil) under non-cancellable operating leases in respect of plant and machinery which expire after five years.

17 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 2001 was £14,788 (2000: £7,000) which was also the maximum outstanding during the year. In addition, included within trade debtors are balances totalling £15,044 (2000: £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 (2000: £4,931).