

Registered number
227621

A. G. POTTER (FRAMLINGHAM) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 2002

**Scrutton Bland
Chartered Accountants
Sanderson House
Museum Street
Ipswich**



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)
 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 2002.

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 exceptional item and taxation, amounted to £17,227 (2001: loss £80,718).

The directors recommend the payment of a preference dividend of 6% (2001: 6%) and a dividend on the ordinary shares of 20% (2001: 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:

	2001			
	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

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

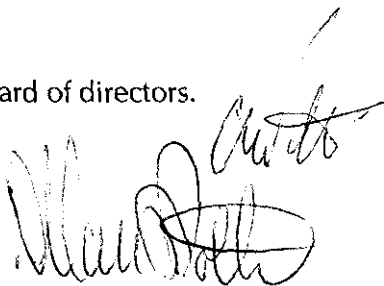
Charitable contributions made during the year amounted to £350 (2001: £235). There were no political contributions.

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

A handwritten signature in dark ink, appearing to read 'Allan J. Potter', is written over a circular stamp or seal.

Approved by the board on 25 March 2003

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

Pursuant to Section 247B of the Companies Act 1985.

We have examined the abbreviated accounts on pages 5 to 15 together with the financial statements of A.G. Potter (Framlingham) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 2002.

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(3) 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. 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 Sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with these provisions.



SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

Ipswich

25 March 2003

A. G. POTTER (FRAMLINGHAM) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2002**

	Notes	£	2001 £
Gross profit		1,093,928	993,061
Distribution costs		(707,031)	(651,746)
Administrative expenses		(432,724)	(395,893)
		(45,827)	(54,578)
Other operating income		46,994	38,571
Operating profit/(loss)	2	1,167	(16,007)
Interest payable	4	(63,711)	(66,938)
Profit on disposal of fixed assets		79,771	-
Profit/(loss) on ordinary activities before taxation		17,227	(82,945)
Tax on profit/(loss) on ordinary activities	5	-	2,227
Profit/(loss) on ordinary activities after taxation		17,227	(80,718)
Dividends	6	(6,598)	(6,598)
Retained profit/(loss) for the financial year	14	£10,629	£(87,316)

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

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2002**

	Notes	£	2001 £
Fixed assets			
Tangible assets	7	1,503,159	1,661,137
Current assets			
Stocks	8	788,154	833,665
Debtors	9	633,434	358,588
Cash at bank and in hand		776	943
		1,422,364	1,193,196
Creditors: amounts falling due within one year	10	(1,372,401)	(1,291,434)
Net current assets/(liabilities)		49,963	(98,238)
Total assets less current liabilities		1,553,122	1,562,899
Creditors: amounts falling due after more than one year	11	(41,969)	(62,375)
		<u>£1,511,153</u>	<u>£1,500,524</u>
Capital and reserves			
Called up share capital	13	56,847	56,847
Share premium account	14	4,000	4,000
Capital reserve	14	58,775	58,775
Profit and loss account	14	1,391,531	1,380,902
Shareholders' funds - equity and non-equity interests	15	<u>£1,511,153</u>	<u>£1,500,524</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to the medium sized companies.

The financial statements were approved by the directors on 25 March 2003

A. J. Potter

Allan J. Potter

Directors

A. G. POTTER (FRAMLINGHAM) LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2002

	£	£	2001	
			£	£
Net cash inflow from operating activities (note 1)		240,778		5,825
Returns on investments and servicing of finance				
Interest paid	(39,150)		(37,656)	
Dividends paid	(2,045)		(2,045)	
Interest element of finance lease rental payments	(24,561)		(29,282)	
Net cash outflow from returns on investments and servicing of finance		(65,756)		(68,983)
Taxation -Tax paid		-		(2,227)
Capital expenditure/financial investment				
Purchase of tangible fixed assets	(70,470)		(194,860)	
Sale of tangible fixed assets	19,311		11,380	
Net cash outflow from capital expenditure and financial investment		(51,159)		(183,480)
Equity dividends paid		(4,553)		(4,553)
Net cash inflow/(outflow) before financing		119,310		(253,418)
Financing				
Ford finance repaid	-		(42,387)	
Repurchase of preference share capital	-		(200)	
New finance agreements	441,313		450,425	
Finance lease capital payments	(494,302)		(477,699)	
Net cash outflow from financing		(52,989)		(69,861)
Increase/(decrease) in cash		£66,321		£(323,279)
Reconciliation of net cash flow to movement in net debt				
Increase/(decrease) in cash in the period		66,321		(323,279)
Cash outflow from decrease in debt and lease financing		494,302		477,699
Change in net debt resulting from cash flows		560,623		154,420
New finance leases		(441,313)		(450,425)
Movement in net debt in the period		119,310		(296,005)
Net debt at 1 January 2002		(922,280)		(626,275)
Net debt at 31 December 2002		£(802,970)		£(922,280)

A. G. POTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2002**

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

	£	2001 £
Operating (loss)/profit	1,167	(16,007)
Depreciation	44,908	36,480
Loss/(profit) on disposal of fixed assets	-	(780)
Decrease/(increase) in stocks	45,511	(55,972)
Decrease/(increase) in debtors	(30,846)	25,817
Increase/(decrease) in creditors	180,038	16,287
Net cash inflow from operating activities	<u>£240,778</u>	<u>£5,825</u>

2 Analysis of net debt

	At 1 January 2002	Cash flow £	Other Changes £	At 31 December 2002 £
Cash in hand	943	(167)	-	776
Bank overdraft	(639,505)	66,488	-	(573,017)
		66,321		
Finance leases	(283,718)	494,302	(441,313)	(230,729)
Total	<u>£(922,280)</u>	<u>£560,623</u>	<u>£(441,313)</u>	<u>£(802,970)</u>

A. G. POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

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 on all timing differences. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise.

A. G. PÖTTER (FRAMLINGHAM) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

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)

		2001
	£	£
Depreciation of tangible fixed assets	44,908	36,480
Operating lease rentals - plant and machinery	1,204	517
Auditors' fees and expenses	7,750	7,750
Directors' remuneration (see below)	94,607	116,037
Loss/(profit) on sale of fixed assets	-	780
Rental income	(15,151)	(11,029)
Directors' remuneration		
Aggregate emoluments	88,818	107,701
Contributions to money purchase pension schemes	5,789	8,336
	<u>£94,607</u>	<u>£116,037</u>

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

A. G. PÖTTER (FRAMLINGHAM) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2002****3 STAFF COSTS**

		2001
	£	£
Wages and salaries	649,694	585,274
Social security costs	50,901	44,231
Other pension costs	5,789	8,336
	<u>£706,384</u>	<u>£637,841</u>
The average weekly number of employees during the year was made up as follows		
	No.	No.
Office, salesmen and management	25	25
Garage workshops	31	31
	<u>56</u>	<u>56</u>

Staff data includes directors.

4 INTEREST PAYABLE

		2001
	£	£
Bank loans and overdrafts	32,623	31,985
Hire purchase interest	24,561	29,282
Other loans wholly repayable within five years	6,527	5,671
	<u>£63,711</u>	<u>£66,938</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

No corporation tax liability arises on the profit for the year due to the availability of trading and capital losses brought forward. The expected tax charge of £5,168 at a corporation tax rate of 30% has been subject to adjustments of £14,024 in respect of capital allowances and other adjustments. Trading losses of £241,249 remain available to set against future profits.

6 DIVIDENDS PROPOSED

		2001
	£	£
Ordinary (20%) (2001: 20%)	4,553	4,553
Preference (6%) (2001: 6%)	2,045	2,045
	<u>£ 6,598</u>	<u>£6,598</u>

A. G. POTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2002**

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant machinery and fixtures £	Computer equipment £	Own motor vehicles £	Total £
Cost					
At 1 January 2002	1,465,050	461,572	146,324	50,180	2,123,126
Additions	-	31,844	7,793	30,833	70,470
Disposals	(130,824)	(43,723)	-	(21,711)	(196,258)
At 31 December 2002	1,334,226	449,693	154,117	59,302	1,997,338
Depreciation					
At 1 January 2002	-	311,192	137,948	12,849	461,989
Charge for the year	-	26,893	7,407	10,608	44,908
Disposals	-	(10,318)	-	(2,400)	(12,718)
At 31 December 2002	-	327,767	145,355	21,057	494,179
Net book values					
At 31 December 2002	<u>£1,334,226</u>	<u>£121,926</u>	<u>£8,762</u>	<u>£38,245</u>	<u>£1,503,159</u>
At 31 December 2001	<u>£1,465,050</u>	<u>£150,380</u>	<u>£8,376</u>	<u>£37,331</u>	<u>£1,661,137</u>

The charge for depreciation includes £3,415 (2001: £4,018) in respect of assets held under a finance lease. At 31 December 2002 the net book value of these assets was £19,354 (2001: £22,769).

8 STOCKS

	£	2001 £
New vehicles	14,662	22,708
Used vehicles	578,510	612,446
Parts and other goods for resale	194,982	198,511
	<u>£788,154</u>	<u>£833,665</u>

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

A. G. PÖTTER (FRAMLINGHAM) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2002**

9 DEBTORS

		2001
	£	£
Trade debtors	313,920	265,211
Prepayments and accrued income	5,342	10,012
Other debtors	314,172	83,365
	<u>£633,434</u>	<u>£358,588</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		2001
	£	£
Bank overdraft and other loans (secured)	573,017	639,505
Finance facilities - Ford Credit Europe Plc	84,257	84,257
Obligations under finance leases and hire purchase contracts	201,427	249,248
Trade creditors	366,482	178,463
Other taxes and social security costs	80,791	26,380
Other creditors	23,521	50,306
Accruals and deferred income	36,308	50,208
Proposed dividend	6,598	6,598
Corporation tax	-	6,469
	<u>£1,372,401</u>	<u>£1,291,434</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.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		2001
	£	£
Petrol Company support received in advance - deferred income (see below)	12,667	27,905
Obligations under finance leases and hire purchase contracts - all due within one to two years	29,302	34,470
	<u>£41,969</u>	<u>£62,375</u>

The maturity of the petrol company support is as follows :

		2001
	£	£
Amounts falling due within 1-2 years	12,667	15,200
Amounts falling due within 2-5 years	-	12,705
	<u>£12,667</u>	<u>£27,905</u>

A. G. PÖTTER (FRAMLINGHAM) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2002****12 DEFERRED TAXATION**

No provision is required for deferred taxation. There is a potential deferred tax asset which has not been provided of £Nil (2001: £20,620).

13 CALLED UP SHARE CAPITAL

	No.	2001 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	34,084	34,084
	<u>£56,847</u>	<u>£56,847</u>

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 2002	4,000	58,775	1,380,902	1,443,677
Profit for the year	-	-	10,629	10,629
At 31 December 2002	<u>£4,000</u>	<u>£58,775</u>	<u>£1,391,531</u>	<u>£1,454,306</u>

A. G. PÖTTER (FRAMLINGHAM) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2002****15 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS**

	£	2001 £
Profit/(loss) for the financial year after taxation	17,227	(80,718)
Dividends	(6,598)	(6,598)
Repurchase of preference share capital	-	(200)
	<u>10,629</u>	<u>(87,516)</u>
Opening shareholders' funds at 1 January 2002	1,500,524	1,588,040
	<u>1,511,153</u>	<u>1,500,524</u>
Closing shareholders' funds at 31 December 2002		
	<u>£1,511,153</u>	<u>£1,500,524</u>

	£	£
Equity shareholders' funds	1,477,069	1,464,395
Non-equity shareholders' funds	34,084	36,129
	<u>1,511,153</u>	<u>1,500,524</u>

16 COMMITMENTS**Lease Commitments - operating leases**

At 31 December 2002 the company had annual commitments of £1,204 (2001: £1,204) 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 2002 was £10,137 (2001: £14,788) which was also the maximum outstanding during the year. In addition, included within trade debtors are balances totalling £20,855 (2001: £15,044) due from Allan Potter which arose on transactions undertaken with the company. This was the maximum amount outstanding during the year.