COMPANY REGISTRATION NUMBER 227621

A G POTTER (FRAMLINGHAM) LIMITED

ABBREVIATED ACCOUNTS

31ST DECEMBER 2003

SCRUTTON BLAND
Accountants & Registered Auditors
Sanderson House
Museum Street
Ipswich
Suffolk
IP1 1HE

AGBCFX0P
A15 0385
COMPANIES HOUSE 22/07/04

A G POTTER (FRAMLINGHAM) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

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A G POTTER (FRAMLINGHAM) LIMITED

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Arthur J Potter (Chairman) Allan J Potter (Managing) G. L Cullingford (After Sales)
Company secretary	Allan J Potter
Registered office	Station Road Framlingham Suffolk IP13 9EE
Auditors	Scrutton Bland Accountants & Registered Auditors Sanderson House Museum Street Ipswich Suffolk IP1 1HE
Bankers	Barclays Bank Plc Suffolk Coastal Group 8 Church Street Woodbridge Suffolk IP12 1DJ

A G POTTER (FRAMLINGHAM) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the company during the year was that of garage proprietor.

RESULTS AND DIVIDENDS
The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Proposed dividends on ordinary shares	**4,553**	4,553
Proposed dividends on preference shares	**2,045**	2,045
	6,598	6,598

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	**At 31 December 2003**	**At 1 January 2003**
Arthur J Potter (Chairman)	Ordinary	**9,663**	9,663
	Preference	**1,450**	1,450
Allan J Potter (Managing)	Ordinary	**9,250**	9,250
	Preference	**17,292**	17,292
G. L Cullingford (After Sales)	Preference	**200**	200

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 cost.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

CHARITABLE AND POLITICAL DONATIONS

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	335	350

AUDITORS

A resolution to re-appoint Scrutton Bland as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Station Road
Framlingham
Suffolk
IP13 9EE

Signed by order of the directors



Allan J Potter
Company Secretary

Approved by the directors on ...17/6/04.....

A G POTTER (FRAMLINGHAM) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16, together with the financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 section 246A(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 report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider 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 did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.

Scrutton Bland

SCRUTTON BLAND
Accountants
& Registered Auditors

Sanderson House
Museum Street
Ipswich
Suffolk
IP1 1HE

23 June 2004

A G POTTER (FRAMLINGHAM) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2003

	Note	2003 £	2002 £
GROSS PROFIT		**1,088,591**	1,125,090
Distribution costs		**624,831**	691,199
Administrative expenses		**477,206**	432,724
OPERATING (LOSS)/PROFIT	2	**(13,446)**	1,167
Profit on disposal of fixed assets		**199,700**	79,771
		186,254	80,938
Interest receivable		**7,948**	–
Interest payable	5	**(62,701)**	(63,711)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**131,501**	17,227
Tax on profit on ordinary activities	6	–	–
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**131,501**	17,227
Dividends (including non-equity)	7	**6,598**	6,598
RETAINED PROFIT FOR THE FINANCIAL YEAR		**124,903**	10,629

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 16 form part of these abbreviated accounts.

A G POTTER (FRAMLINGHAM) LIMITED

ABBREVIATED BALANCE SHEET

31ST DECEMBER 2003

	Note	2003 £	£	2002 £
FIXED ASSETS				
Tangible assets	8		**1,479,691**	1,503,159
CURRENT ASSETS				
Stocks	9	**767,816**		788,154
Debtors	10	**505,130**		633,434
Cash in hand		**1,986**		776
		1,274,932		1,422,364
CREDITORS: Amounts falling due within one year	11	**1,112,061**		1,372,401
NET CURRENT ASSETS			**162,871**	49,963
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,642,562**	1,553,122
CREDITORS: Amounts falling due after more than one year	12		**6,506**	41,969
			1,636,056	1,511,153
CAPITAL AND RESERVES				
Called-up share capital	17		**56,847**	56,847
Share premium account	18		**4,000**	4,000
Other reserves	18		**58,775**	58,775
Profit and loss account	18		**1,516,434**	1,391,531
SHAREHOLDERS' FUNDS (including non-equity interests)	19		**1,636,056**	1,511,153

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the ..... 17/6/04 and are signed on their behalf by:

.....
Arthur J Potter (Chairman)

.....
Allan J Potter (Managing)

The notes on pages 9 to 16 form part of these abbreviated accounts.

A G POTTER (FRAMLINGHAM) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2003

	Note	2003 £	£	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	**20**		**141,232**	256,016
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		**7,948**		–
Interest paid		**(49,995)**		(39,150)
Interest element of hire purchase		**(12,706)**		(24,561)
Non-equity dividends paid		**(2,045)**		(2,045)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			**(56,798)**	(65,756)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets		**(56,884)**		(70,470)
Receipts from sale of fixed assets		**307,074**		19,311
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE			**250,190**	(51,159)
EQUITY DIVIDENDS PAID			**(4,553)**	(4,553)
CASH INFLOW BEFORE FINANCING			**330,071**	134,548
FINANCING				
Capital element of hire purchase		**13,056**		(52,989)
Net outflow from long-term accruals		**(12,667)**		(15,238)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING			**389**	(68,227)
INCREASE IN CASH			**330,460**	66,321

The notes on pages 9 to 16 form part of these abbreviated accounts.

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST DECEMBER 2003

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2003		2002
		£	£	£
Increase in cash in the period		**330,460**		66,321
Cash (inflow)/outflow in respect of hire purchase		**(13,056)**		52,989
Net cash outflow from long-term accruals		**12,667**		15,238
			330,071	134,548
Change in net debt	**20**		**330,071**	134,548
Net debt at 1 January 2003	**20**		**(815,637)**	(950,185)
Net debt at 31 December 2003	**20**		**(485,566)**	(815,637)

The notes on pages 9 to 16 form part of these abbreviated accounts.

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Plant, machinery & fittings	-	15% on reducing balance
Own 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 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.

Consignment stocks, where the benefits and risks associated with the vehicles remain with the manufacturer until transfer of title, have not been recognised as an asset of the company.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2003	2002
	£	£
Directors' emoluments	**93,519**	88,817
Depreciation of owned fixed assets	**36,090**	41,493
Depreciation of assets held under hire purchase agreements	**1,888**	3,415
Auditors' remuneration		
- as auditors	**7,750**	7,750

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Garage workshop	28	30
Office, salesmen and management	20	23
	48	53

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	652,237	652,312
Social security costs	27,220	28,283
Other pension costs	5,670	5,789
	685,127	686,384

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	93,519	88,817
Value of company pension contributions to money purchase schemes	5,670	5,789
	99,189	94,606

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	2	2

5. INTEREST PAYABLE

	2003	2002
	£	£
Interest payable on bank borrowing	29,007	32,623
Finance charges	12,706	24,561
Other similar charges payable	20,988	6,527
	62,701	63,711

6. 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 £24,985 at a corporation tax rate of 19% has been subject to adjustments of £29,385 in respect of capital allowances and other adjustments. Trading losses of £303,820 remain available to set against future profits.

7. DIVIDENDS

The following dividends have been proposed in respect of the year:

	2003	2002
	£	£
Proposed dividend on ordinary shares (20%)	4,553	4,553
Proposed dividend on preference shares	2,045	2,045
	6,598	6,598

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant, machinery & fixtures	Own motor vehicles	Computer equipment	Total
	£	£	£	£	£
COST					
At 1 January 2003	1,334,226	449,693	59,302	154,117	1,997,338
Additions	–	7,718	46,429	2,737	56,884
Disposals	(24,833)	(2,842)	(22,602)	–	(50,277)
At 31 December 2003	1,309,393	454,569	83,129	156,854	2,003,945
DEPRECIATION					
At 1 January 2003	–	327,767	21,057	145,355	494,179
Charge for the year	–	19,071	13,601	5,306	37,978
On disposals	–	(645)	(7,258)	–	(7,903)
At 31 December 2003	–	346,193	27,400	150,661	524,254
NET BOOK VALUE					
At 31 December 2003	1,309,393	108,376	55,729	6,193	1,479,691
At 31 December 2002	1,334,226	121,926	38,245	8,762	1,503,159

Hire purchase agreements

Included within the net book value of £1,479,691 is £11,936 (2002 - £19,354) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £1,888 (2002 - £3,415).

9. STOCKS

	2003	2002
	£	£
Finished goods	**767,816**	788,154

10. DEBTORS

	2003	2002
	£	£
Trade debtors	**252,060**	313,920
Other debtors	**242,493**	314,172
Prepayments and accrued income	**10,577**	5,342
	505,130	633,434

The debtors above include the following amounts falling due after more than one year:

	2003	2002
	£	£
Other debtors	**186,948**	244,000

11. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Finance facilities - Ford Credit Europe Plc	**84,257**	84,257
Bank loans and overdrafts	**243,767**	573,017
Trade creditors	**414,478**	366,482
PAYE and social security	**41,534**	80,791
Hire purchase agreements	**237,279**	201,427
Dividends payable	**6,598**	6,598
Other creditors	**61,421**	23,521
Accruals and deferred income	**22,727**	36,308
	1,112,061	1,372,401

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

12. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Hire purchase agreements	**6,506**	29,302
Accruals and deferred income	**–**	12,667
	6,506	41,969

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2003	2002
	£	£
Amounts payable within 1 year	**237,279**	201,427
Amounts payable between 1 and 2 years	**6,506**	29,302
	243,785	230,729

14. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	**28,815**	–
Tax losses available	**(57,726)**	–
	(28,911)	–

15. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 2 to 5 years	**1,204**	1,204

16. TRANSACTIONS WITH THE DIRECTORS

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 2003 was £6,137 (2002: £14,788) which was also the maximum outstanding during the year. In addition, included within trade debtors are balances totalling £44,019 (2002: £20,855) due from Allan Potter which arose on transactions undertaken with the company. This was the maximum amount outstanding during the year.

17. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
25,000 Ordinary shares of £1 each	**25,000**	25,000
35,000 Preference shares of £1 each	**35,000**	35,000
	60,000	60,000

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	**22,763**	**22,763**	22,763	22,763
Preference shares of £1 each	**34,084**	**34,084**	34,084	34,084
	56,847	**56,847**	56,847	56,847

18. RESERVES

	Share premium account	Capital redemption reserve	Profit and loss account
	£	£	£
Balance brought forward	**4,000**	**58,775**	**1,391,531**
Retained profit for the year	**–**	**–**	**124,903**
Balance carried forward	**4,000**	**58,775**	**1,516,434**

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

EQUITY SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	**131,501**	17,227
Dividends	**(6,598)**	(6,598)
	124,903	10,629
Opening shareholders' equity funds	**1,477,069**	1,466,440
Closing shareholders' equity funds	**1,601,972**	1,477,069
NON-EQUITY SHAREHOLDERS' FUNDS		
Opening and closing shareholders' non-equity funds	**34,084**	34,084
TOTAL SHAREHOLDERS' FUNDS	**1,636,056**	1,511,153

20. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating (loss)/profit	**(13,446)**	1,167
Depreciation	**37,978**	44,908
Decrease in stocks	**20,338**	45,511
Decrease/(increase) in debtors	**63,304**	(37,315)
Increase in creditors	**33,058**	201,745
Net cash inflow from operating activities	**141,232**	256,016

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2003	Cash flows	At 31 Dec 2003
	£	£	£
Net cash:			
Cash in hand and at bank	**776**	**1,210**	**1,986**
Overdrafts	**(573,017)**	**329,250**	**(243,767)**
	(572,241)	**330,460**	**(241,781)**
Debt:			
Debt due after 1 year	**(12,667)**	**12,667**	**–**
Hire purchase agreements	**(230,729)**	**(13,056)**	**(243,785)**
	(243,396)	**(389)**	**(243,785)**
Net debt	**(815,637)**	**330,071**	**(485,566)**