

REGISTERED NUMBER: 01022321 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2000
FOR
K J SHORTIS LIMITED**



K J SHORTIS LIMITED

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K J SHORTIS LIMITED
COMPANY INFORMATION
for the year ended 31 January 2000

DIRECTORS:

Mr K J Shortis
Mrs V C Shortis
Mr R J Shortis

SECRETARY:

Mr R A Garnett

REGISTERED OFFICE:

Salhouse Road
Norwich
Norfolk
NR7 9AH

REGISTERED NUMBER:

01022321 (England and Wales)

AUDITORS:

Sexty & Co
Chartered Certified Accountants
124 Thorpe Road
Norwich
Norfolk
NR1 1RS

BANKERS:

Lloyds TSB Bank Plc
16 Gentlemans Walk
Norwich
Norfolk
NR2 1LZ

SOLICITORS:

Howes Percival
51 Colegate
Norwich
Norfolk
NR3 1DD

K J SHORTIS LIMITED

REPORT OF THE DIRECTORS for the year ended 31 January 2000

The directors present their report with the financial statements for the year ended 31 January 2000.

PRINCIPAL ACTIVITY

The principal activities of the group in the year under review were that of the supply and fitting of exhausts, motor spares and accessories.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements.

Despite being a difficult trading year with lower prices coupled with considerable pressure on costs particularly wages and transport the directors were reasonably pleased with the overall results.

The financial position of the group is strong with nil gearing and backed by a considerable asset base.

DIVIDENDS

An interim dividend of 10p per ordinary share was paid by the company. A final dividend of 10p per ordinary share has been proposed by the company.

MARKET VALUE OF LAND AND BUILDINGS

The group's land and buildings were revalued by the directors on the 31 January 1997. The directors are of the opinion that at 31 January 2000 group owned land and buildings had a total value of not less than £3.8 million.

FIXED ASSETS

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

EMPLOYEES

Provision of information

During the period the Group has continued its policy of managers holding regular briefing and dissemination meetings, to provide information and the opportunity for questions and discussions.

Equal opportunities

The companies in the Group are committed to providing equal opportunities to all employees irrespective of sex, marital status, creed, colour, race, ethnic origin or disability. The Group will continue to review and monitor this policy in order to ensure its application complies with relevant legislation and codes of practice.

DIRECTORS

The directors during the year under review were:

Mr K J Shortis
Mrs V C Shortis
Mr R J Shortis

The beneficial interests of the directors holding office on 31 January 2000 in the issued share capital of the company were as follows:

	2000	1999
Ordinary £1.00 shares		
Mr K J Shortis	200,000	200,000
Mrs V C Shortis	5,500	5,500
Mr R J Shortis	20,635	20,635

In accordance with the Articles of Association, Mr K J Shortis will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

**REPORT OF THE DIRECTORS
for the year ended 31 January 2000**

STATEMENT OF 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 and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Sexty & Co will be proposed for re-appointment in accordance with Section 285 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mr K J Shortis - DIRECTOR

4th September 2000

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
K J SHORTIS LIMITED**

We have audited the financial statements on pages 5 to 23 which have been prepared under the historical cost convention, (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 3, 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 financial 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 accounts. 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 group'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 affairs of the company and group as at 31st January 2000 and of the profit and cash flow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4th September 2000

**124 Thorpe Road
Norwich**



**SEXTY & CO
CHARTERED CERTIFIED ACCOUNTANTS
AND REGISTERED AUDITORS**

K J SHORTIS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2000

	Notes	2000		1999	
		£	£	£	£
TURNOVER	2		17,185,825		15,670,457
Continuing operations		17,185,825		15,268,843	
Acquisitions		-		401,614	
		<u>17,185,825</u>		<u>15,670,457</u>	
Cost of sales	3		10,044,084		9,311,666
GROSS PROFIT	3		<u>7,141,741</u>		<u>6,358,791</u>
Net operating expenses	3		6,360,480		5,436,649
OPERATING PROFIT	5		<u>781,261</u>		<u>922,142</u>
Continuing operations		781,261		918,193	
Acquisitions		-		3,949	
		<u>781,261</u>		<u>922,142</u>	
Profit on disposal of fixed assets			<u>30,687</u>		<u>4,765</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST			<u>811,948</u>		<u>926,907</u>
Interest payable	6		(10,515)		(9,580)
Interest receivable			7,430		41,533
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>808,863</u>		<u>958,860</u>
Tax on profit on ordinary activities	7		264,898		323,828
PROFIT FOR THE FINANCIAL YEAR			<u>543,965</u>		<u>635,032</u>
Dividends	26		(29,354)		(49,354)
Retained profit for the financial year	21		<u>£514,611</u>		<u>£585,678</u>
Profit for the financial year dealt with in :					
Parent company			190,384		241,901
Subsidiary companies			353,581		393,131
			<u>£543,965</u>		<u>£635,032</u>

The notes form part of these financial statements

K J SHORTIS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 January 2000

	2000 £	1999 £
Profit for the financial year	543,965	635,032
Unrealised surplus on revaluation of properties	-	-
Total recognised gains and losses since the last annual report	<u>£543,965</u>	<u>£635,032</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 January 2000

	2000 £	1999 £
Reported profit on ordinary activities before taxation	808,863	958,860
Realisation of property revaluation gains of previous years	-	-
Historical cost profit on ordinary activities before taxation	<u>£808,863</u>	<u>£958,860</u>
Historical cost profit for the year retained after taxation and dividends.	<u>£514,611</u>	<u>£585,678</u>

The notes form part of these financial statements

K J SHORTIS LIMITED
GROUP BALANCE SHEET

31 January 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Intangible assets	8	375,899		427,029	
Negative goodwill	8	(6,332)		(7,124)	
			369,567		419,905
Tangible assets	9		4,307,524		4,215,495
			<u>4,677,091</u>		<u>4,635,400</u>
CURRENT ASSETS					
Stocks	12	2,858,437		2,894,154	
Debtors	13	884,003		899,611	
Cash at bank and in hand		323,837		71,938	
			<u>4,066,277</u>	<u>3,865,703</u>	
CREDITORS : amounts falling due within one year	14	(2,736,749)		(2,994,917)	
NET CURRENT ASSETS			<u>1,329,528</u>		<u>870,786</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,006,619</u>		<u>5,506,186</u>
CREDITORS : amounts falling due after more than one year	15	(11,753)		(21,103)	
PROVISION FOR LIABILITIES AND CHARGES :					
Deferred taxation	18	(2,500)		(7,328)	
			<u>(14,253)</u>	<u>(28,431)</u>	
NET ASSETS			<u>£5,992,366</u>		<u>£5,477,755</u>
CAPITAL AND RESERVES					
Called up share capital	20		246,770		246,770
Revaluation reserve	21		537,125		537,125
Profit and loss account	21		5,208,471		4,693,860
SHAREHOLDERS' FUNDS	22		<u>£5,992,366</u>		<u>£5,477,755</u>

ON BEHALF OF THE BOARD:


K J Shortis - DIRECTOR

4th September 2000

The notes form part of these financial statements

K J SHORTIS LIMITED
PARENT COMPANY BALANCE SHEET

31 January 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	10		3,361,717		3,059,633
Investments in subsidiaries	11		256,559		666,106
Intangible assets - goodwill			1		1
			3,618,277		3,725,740
CURRENT ASSETS					
Debtors	13	792,108		520,774	
Cash at bank		315,600		4,504	
		1,107,708		525,278	
CREDITORS: amounts falling due within one year					
	14	(1,729,385)		(1,414,656)	
NET CURRENT LIABILITIES			(621,677)		(889,378)
NET ASSETS			£2,996,600		£2,836,362
CAPITAL AND RESERVES					
Called up share capital	20		246,770		246,770
Revaluation reserve	21		406,279		406,279
Profit and loss account	21		2,343,551		2,183,313
SHAREHOLDERS' FUNDS	22		£2,996,600		£2,836,362
ON BEHALF OF THE BOARD:					


K J Shortis - DIRECTOR

4th September 2000

The notes form part of these financial statements

K J SHORTIS LIMITED
GROUP CASH FLOW STATEMENT
for the year ended 31 January 2000

	Notes	£	2000 £	£	1999 £
Net cash inflow from operating activities	1		1,218,084		876,321
Returns on investments and servicing of finance	2		(3,085)		31,953
Taxation			(325,515)		(415,777)
Capital expenditure	2		(374,836)		(442,159)
Acquisition of subsidiary	2		-		(407,730)
Equity dividends paid			(49,354)		(49,354)
			<u>465,294</u>		<u>(406,746)</u>
Financing	2		(8,392)		(11,359)
Management of liquid resources	2		(110,000)		(100,000)
Increase/(Decrease) in cash in the year			<u>£346,902</u>		<u>£(518,105)</u>

Reconciliation of net cash flow to movement in net debt

3

Increase/(Decrease) in cash in the year	346,902	(518,105)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	8,392	(18,133)
Cash outflow from increase in liquid resources	110,000	100,000
Change in net debt resulting from cash flows	<u>465,294</u>	<u>(436,238)</u>
Movement in net debt in the year	<u>465,294</u>	<u>(436,238)</u>
Net (debt)/cash at 1 February 1999	(298,669)	137,569
Net cash/(debt) at 31 January 2000	<u>£166,625</u>	<u>£(298,669)</u>

NOTES TO THE GROUP CASH FLOW STATEMENT

for the year ended 31 January 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	781,261	922,142
Depreciation	313,494	297,728
Amortisation of goodwill	50,338	50,338
Future cost contribution	-	(8,200)
Decrease/(increase) in stocks	35,717	(226,388)
Decrease/(increase) in debtors	15,608	(15,303)
Increase/(decrease) in creditors	21,666	(143,996)
Net cash inflow from operating activities	£1,218,084	£876,321

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	7,430	41,533
Interest paid	(10,515)	(9,580)
Net cash (outflow)/inflow for returns on investments and servicing of finance	£(3,085)	£31,953
Capital expenditure		
Purchase of tangible fixed assets	(423,263)	(298,043)
Sale of tangible fixed assets	48,427	35,884
Purchase of intangible fixed assets	-	(180,000)
Net cash outflow for capital expenditure	£(374,836)	£(442,159)
Acquisition of subsidiary		
Fixed assets	-	255,160
Stock	-	489,661
Debtors	-	53,047
Cash at bank	-	1,817
Creditors	-	(382,222)
Goodwill	-	417,463
		(7,916)
Cash consideration	-	409,547
Less cash acquired	-	(1,817)
	£-	£407,730
Financing		
Loan repayments in year	(110,000)	(100,000)
Hire purchase repayments	(8,392)	(11,359)
Net cash (outflow) from financing	£(118,392)	£(111,359)

NOTES TO THE GROUP CASH FLOW STATEMENT

for the year ended 31 January 2000

3. ANALYSIS OF CHANGES IN NET DEBT

	At 01.02.99 £	Cashflow £	At 31.01.00 £
Net cash:			
Cash at bank and in hand	71,938	251,899	323,837
Bank overdraft	(211,069)	95,003	(116,066)
	<u>(139,131)</u>	<u>346,902</u>	<u>207,771</u>
Debt:			
Hire purchase and finance leases	(29,492)	8,392	(21,100)
Debts falling due within one year	(130,046)	110,000	(20,046)
	<u>(159,538)</u>	<u>118,392</u>	<u>(41,146)</u>
Total	<u>£(298,669)</u>	<u>£465,294</u>	<u>£166,625</u>

Analysed in Balance Sheet

Cash at bank and in hand	71,938	323,837
Bank overdraft	(211,069)	(116,066)
Hire purchase and finance leases		
- within one year	(8,389)	(9,347)
- after one year	(21,103)	(11,753)
Bank loans falling due within one year	(100,000)	-
Other loans falling due within one year	(30,046)	(20,046)
	<u>£(298,669)</u>	<u>£166,625</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain investment and freehold property.

As permitted by section 230(3) of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiaries for the financial period using acquisition accounting.

Turnover

Turnover represents net invoiced sale of goods, excluding value added tax.

Goodwill

Goodwill arising on the acquisition of new and existing subsidiaries is written off in equal instalments over a 10 year period.

Tangible fixed assets

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

Freehold land and buildings	buildings only at 2% straight line
Improvements to leasehold property	over the term of the lease
Office equipment	20% straight line basis
Plant and machinery	15% straight line basis
Fixtures and fittings	15% straight line basis
Motor vehicles	25% straight line basis

Premiums paid on short leases are written off on acquisition.

Investment properties

In accordance with SSAP 19 investment properties are revalued annually at open market value and the surplus or deficit is transferred to investment property revaluation reserve. As these properties are held for investment purposes, not consumption, depreciation is not considered to be relevant.

Stocks

Stocks are stated at the lower of cost and net realisable value using the average cost method.

Cost comprises the average cost of all purchases.

K J SHORTIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 2000

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Provision is made at current rates for deferred taxation in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase interests are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease terms, whichever is the shorter.

The interest element of those obligations is charged to the profit and loss account over the relevant period. The capital element of the future repayments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The parent company operates a defined contribution pension scheme for the directors. The assets of the scheme are invested and managed independently of the finances of the group. Contributions payable for the year are charged in the profit and loss account.

The group operates a defined contribution pension scheme for other employees. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

3. ANALYSIS OF OPERATIONS

	2000		
	Continuing	Acquisitions	Total
	£	£	£
Cost of sales	10,044,084	-	10,044,084
Gross profit	7,141,741	-	7,141,741
Net operating expenses:			
Distribution costs	209,853	-	209,853
Administrative expenses	6,201,701	-	6,201,701
Other operating income	(51,074)	-	(51,074)
	£6,360,480	£-	£6,360,480
	1999		
	Continuing	Acquisitions	Total
	£	£	£
Cost of sales	9,049,156	262,510	9,311,666
Gross profit	6,219,687	139,104	6,358,791
Net operating expenses:			
Distribution costs	189,808	420	190,228
Administration expenses	5,137,769	134,735	5,272,504
Other operating income	(26,083)	-	(26,083)
	£5,301,494	£135,155	£5,436,649

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2000

4. STAFF COSTS

	2000 £	1999 £
Wages and salaries	3,672,751	3,131,910
Social security costs	301,544	270,705
Other pension costs	158,915	117,606
	<u>£4,133,210</u>	<u>£3,520,221</u>

The average monthly number of employees during the year was as follows:-

	2000 No	1999 No
Sales and administration	292	278

5. OPERATING PROFIT

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

	2000 £	1999 £
Depreciation - owned assets	304,231	280,438
Depreciation - assets on hire purchase contracts	9,263	17,290
Goodwill written off	50,338	50,338
Auditors remuneration	15,000	15,000
Operating lease rentals - land and buildings	286,893	215,368
Rents received	(49,574)	(38,747)

Directors emoluments (including amounts paid by subsidiaries)	163,037	119,751
Directors pension contributions to money purchase schemes	141,000	101,000

The number of directors to whom retirement benefits were accruing was as follows:-

Money purchase schemes	3	3
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6. INTEREST PAYABLE

	2000 £	1999 £
On hire purchase obligations	2,624	1,211
On bank loans, other loans and overdrafts wholly repayable within five years	7,891	8,359
On overdue tax	-	10
	<u>£10,515</u>	<u>£9,580</u>

7. TAXATION

	2000 £	1999 £
The tax charge on the profit on ordinary activities for the year was as follows:		
UK corporation tax	270,567	332,368
Deferred taxation	(4,828)	(3,281)
(Over) provision in previous years	(690)	(3,860)
Corporation tax adjustment in respect of previous year	(151)	(1,399)
	<u>£264,898</u>	<u>£323,828</u>

UK corporation tax was charged at 30% in 2000 (1999 31%).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

8. INTANGIBLE FIXED ASSETS GROUP

	Negative goodwill arising on acquisition of subsidiaries £	Purchased goodwill £	Goodwill arising on acquisition of subsidiaries £	Total £
COST				
At 1 February 1999 and 31 January 2000	(7,916)	181,101	438,034	611,219
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
AMORTISATION				
At 1 February 1999	(792)	19,030	173,076	191,314
Charge (credit) for the year	(792)	18,010	33,120	50,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 January 2000	(1,584)	37,040	206,196	241,652
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 January 2000	£(6,332)	£144,061	£231,838	£369,567
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 January 1999	£(7,124)	£162,071	£264,958	£419,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

9. TANGIBLE FIXED ASSETS GROUP

	Investment properties £	Land and buildings freehold £	Land and buildings short leasehold £	Fixtures, fittings plant and machinery £	Motor vehicles £	Office equipment £	Finance lease assets £	Total £
COST OR VALUATION								
At 1 February 1999	265,000	3,361,644	28,254	451,907	752,565	382,889	6,830	5,249,089
Additions	-	208,199	-	11,934	189,871	13,259	-	423,263
Disposals	-	-	-	-	(148,498)	-	-	(148,498)
At 31 January 2000	265,000	3,569,843	28,254	463,841	793,938	396,148	6,830	5,523,854
DEPRECIATION								
At 1 February 1999	-	19,624	18,518	300,587	501,318	186,717	6,830	1,033,594
Charge for year	-	24,037	1,241	49,440	161,220	77,556	-	313,494
Disposals	-	-	-	-	(130,758)	-	-	(130,758)
At 31 January 2000	-	43,661	19,759	350,027	531,780	264,273	6,830	1,216,330
NET BOOK VALUE								
At 31 January 2000	£265,000	£3,526,182	£8,495	£113,814	£262,158	£131,875	£ -	£4,307,524
At 31 January 1999	£265,000	£3,342,020	£9,736	£151,320	£251,247	£196,172	£ -	£4,215,495

Cost or valuation at 31 January 2000 is represented by:

	Investment properties £	Land and buildings freehold £	Land and buildings short leasehold £	Fixtures, fittings plant and machinery £	Motor vehicles £	Office equipment £	Finance lease assets £	Total £
Valuation in 1996	103,445	77,505	-	-	-	-	-	180,950
Valuation in 1997	42,609	313,566	-	-	-	-	-	356,175
Cost	118,946	3,178,772	28,254	463,841	793,938	396,148	6,830	4,986,729
At 31 January 2000	£265,000	£3,569,843	£28,254	£463,841	£793,938	£396,148	£6,830	£5,523,854

The freehold land and buildings and investment properties were revalued by the directors on the 31 January 1996 and 1997. The cost of these properties amounts to £3,313,646.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

9. TANGIBLE FIXED ASSETS GROUP - continued

Fixed assets, included in the above, which are held under finance leases and hire purchase contracts are as follows:-

	Fixtures, fittings and machinery £	Motor vehicles £	Total £
COST			
At 1 February 1999 and 31 January 2000	20,805	7,474	28,279
DEPRECIATION:			
At 1 February 1999	776	239	1,015
Charge for year	6,496	2,767	9,263
At 31 January 2000	7,272	3,006	10,278
NET BOOK VALUE:			
At 31 January 2000	£13,533	£4,468	£18,001
At 31 January 1999	£20,029	£7,235	£27,264

10. TANGIBLE FIXED ASSETS PARENT COMPANY

	Office equipment £	Investment properties £	Freehold land and buildings £	Fixtures, fittings plant and machinery £	Total £
COST OR VALUATION					
At 1 February 1999	895	265,000	2,809,145	2,215	3,077,255
Additions	-	-	208,199	-	208,199
Inter group transfer	-	-	117,722	-	117,722
At 31 January 2000	895	265,000	3,135,066	2,215	3,403,176
DEPRECIATION					
At 1 February 1999	179	-	17,083	360	17,622
Charge for year	179	-	19,723	332	20,234
Inter group transfer	-	-	3,603	-	3,603
At 31 January 2000	358	-	40,409	692	41,459
NET BOOK VALUE					
At 31 January 2000	£537	£265,000	£3,094,657	£1,523	£3,361,717
At 31 January 1999	£716	£265,000	£2,792,062	£1,855	£3,059,633

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

10. TANGIBLE FIXED ASSETS PARENT COMPANY - continued

Cost or valuation at 31 January 2000 is represented by:

	Office Equipment £	Investment properties £	Freehold land and buildings £	Fixtures, fittings, plant and machinery £	Total £
Valuation in 1996	-	103,445	26,784	-	130,229
Valuation in 1997	-	42,609	233,441	-	276,050
Cost	895	118,946	2,874,841	2,215	2,996,897
	<u>£895</u>	<u>£265,000</u>	<u>£3,135,066</u>	<u>£2,215</u>	<u>£3,403,176</u>

The freehold land and buildings and investment properties were valued by the directors on the 31 January 1996 and 1997. The cost of these properties amounts to £2,993,787.

11. FIXED ASSET INVESTMENTS PARENT COMPANY

Unlisted investments :

	Shares in group Companies
Cost or valuation	
1 February 1999	666,106
Inter group transfer	(409,547)
31 January 2000	<u>£256,559</u>

Subsidiaries

Company	Group Interest in ordinary shares	Nature of business
Fastfit Exhausts Limited	100%	Supply and fitting of motor vehicle exhausts and tyres
Wilco Motor Spares Limited	100%	Retailer of car spares and accessories
E U Limited	100%	Wholesaler of motor vehicle components
J Smart & Co (Retail) Limited (subsidiary of Wilco Motor Spares Limited)	100%	Dormant
Cyclemaster Limited	100%	Dormant
Carmaster Limited (subsidiary of Wilco Motor Spares Limited)	100%	Dormant

All subsidiary companies are incorporated and registered in England and Wales.

12. STOCKS

	2000 £	1999 £
Finished goods	<u>2,858,437</u>	<u>2,894,154</u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

13. DEBTORS

	Group		Parent company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	775,878	772,803	-	-
Prepayments	98,292	102,138	-	-
Amounts owed by group companies	-	-	792,108	520,774
Other debtors	9,833	24,670	-	-
	£884,003	£899,611	£792,108	£520,774

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans and overdrafts (see note 16)	116,066	311,069	-	28,729
Trade creditors	1,728,097	1,778,030	-	-
Amounts owed to group companies	-	-	1,539,267	1,211,300
Corporation tax	270,267	326,056	87,267	89,600
Other taxes and social security costs	350,934	318,153	8,972	4,900
Other creditors	48,146	46,181	15,000	15,000
Accruals and deferred income	189,169	152,316	74,202	40,450
Other loans	20,046	30,046	-	-
Hire purchase contracts (see note 17)	9,347	8,389	-	-
Proposed dividend	4,677	24,677	4,677	24,677
	£2,736,749	£2,994,917	£1,729,385	£1,414,656

Other loans bear interest at 7% per annum and are repayable at the discretion of the directors.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Parent company	
	2000	1999	2000	1999
	£	£	£	£
Hire purchase contracts (see note 17)	11,753	21,103	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

16. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	Group		Parent company	
	2000	1999	2000	1999
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdraft	116,066	211,069	-	28,729
Bank loan	-	100,000	-	-
	<u>£116,066</u>	<u>£311,069</u>	<u>£-</u>	<u>£28,729</u>

The bank loans and overdrafts are secured by a fixed charge over certain of the groups freehold property.

The parent company has guaranteed the bank loans and overdrafts of its subsidiaries.

17. OBLIGATIONS UNDER HIRE PURCHASE AND LEASE CONTRACTS

Obligations under finance leases and hire purchase contracts are analysed as follows:

	Group		Parent company	
	2000	1999	2000	1999
	£	£	£	£
Within one year	9,347	8,389	-	-
Between one and two years	11,753	9,343	-	-
Between two and five years	-	11,760	-	-
	<u>£21,100</u>	<u>£29,492</u>	<u>-</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

The hire purchase contracts were inherited with the acquisition of J Smart & Co (Retail) Limited.

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

17. OBLIGATIONS UNDER HIRE PURCHASE AND LEASE CONTRACTS (Continued)

The following payments are committed to be paid within one year under operating lease contracts.

	Land and building leases			
	Group		Parent company	
	2000	1999	2000	1999
	£	£	£	£
Expiring:				
Within one year	18,600	-	-	-
Between one and five years	94,417	94,509	-	-
In more than five years	134,500	143,500	-	-
	£247,517	£238,009	£ -	£ -

18. DEFERRED TAXATION

	2000	1999
	£	£
At 1 February 1999	7,328	10,609
Transfer to profit and loss account	(4,828)	(3,281)
At 31 January 2000	£2,500	£7,328

19. FUTURE COSTS CONTRIBUTION

In January 1990 Fastfit Exhausts Ltd received £82,000 from Norfolk County Council as a contribution to additional revenue expenditure to be incurred over ten years due to the relocation of the Boundary Road, Norwich premises, comprising:-

	2000	1999
	£	£
Monies received	82,000	82,000
Less : credited to profit & loss for current year	-	(8,200)
Prior years	(82,000)	(73,800)
	-	-
Included in current liabilities due within one year (note 14)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

20. SHARE CAPITAL

	Authorised		Allotted issued and fully paid	
	2000 No.	1999 No.	2000 £	1999 £
Ordinary shares of £1 each	500,000	500,000	£246,770	£246,770

21. RESERVES

	Group		Parent company	
	Revaluation reserve £	Profit & loss account £	Revaluation reserve £	Profit & loss account £
At 1 February 1999	537,125	4,693,860	406,279	2,183,313
Retained profit	-	514,611	-	160,238
At 31 January 2000	£537,125	£5,208,471	£406,279	£2,343,551
Revaluation reserve analysis				
	£		£	
Freehold property	391,071		260,225	
Investment property	146,054		146,054	
	£537,125		£406,279	

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	Group		Parent company	
	2000 £	1999 £	2000 £	1999 £
Profit for the financial year after taxation	543,965	635,032	189,592	241,901
Dividends	(29,354)	(49,354)	(29,354)	(49,354)
Opening shareholders' funds	514,611	585,678	160,238	192,547
Other recognised gains and losses relating to the year	5,477,755	4,892,077	2,836,362	2,643,815
	-	-	-	-
Closing shareholders' funds	£5,992,366	£5,477,755	£2,996,600	£2,836,362

23. CONTINGENT LIABILITY

The company has an unlimited guarantee to the group bankers for the borrowings of all group companies. At 31 January 2000 this amounted to £116,066 (1999 £97,634).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2000

24. PENSION SCHEMES

The parent company operates a defined contribution pension scheme for the directors. The group operates a defined contribution pension scheme for other employees.

The pension cost charge amounted to £158,915 for the year (1999 £117,606).

25. RELATED PARTY TRANSACTIONS

Mr R J Shortis (director) and Mr C J Shortis son of Mr K J Shortis (director) jointly loaned a group company £50,046. The balance at the end of the year was £20,046 (1999 £30,046). The loan bears interest at 7% per annum and is repayable at the discretion of the directors.

Mr C J Shortis has also loaned the company a further £15,000, which is included in other creditors.

Property owned by the K J Shortis Limited SSAS a pension scheme of which the directors are trustees and/or beneficiaries was utilised by group companies. Annual rent payable is £45,000.

26. DIVIDENDS

	2000		1999	
	£	£	£	£
Interim dividend paid of 10p (1999 - 10p) per share		24,677		24,677
Proposed final dividend of 10p (1999 - 10p) per share	24,677		24,677	
Less dividend waived	(20,000)		-	
	<u> </u>	4,677	<u> </u>	24,677
		<u>£29,354</u>		<u>£49,354</u>

27. POST BALANCE SHEET EVENTS

Since the year end EU Limited, a subsidiary company has opened two new branches in Great Yarmouth and Peterborough.