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REGISTERED NUMBER: 01022321 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2001
FOR
K J SHORTIS LIMITED



K J SHORTIS LIMITED

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for the year ended 31 January 2001**

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K J SHORTIS LIMITED
COMPANY INFORMATION
for the year ended 31 January 2001

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
SOLICITORS:	Howes Percival 51 Colegate Norwich Norfolk NR3 1DD

REPORT OF THE DIRECTORS
for the year ended 31 January 2001

The directors present their report with the financial statements for the year ended 31 January 2001.

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.

2000 was an exceptionally difficult year, especially for our distribution division. During the year the biggest player went into receivership and many others either ceased to trade or were forced to restructure. Our strong financial position allowed us to take full advantage of the buying opportunities and our results reflect the efforts of our staff.

Since the year end, trade has been very good and we are projecting much improved performance for the current year.

DIVIDENDS

An interim dividend of 11p per ordinary share was paid by the company. A final dividend of 11p 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 2001 group owned land and buildings had a total value of not less than £4.5 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 2001 in the issued share capital of the company were as follows:

	2001	2000
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 R 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 2001

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;
- 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

11 September 2001

K J SHORTIS LIMITED

We have audited the financial statements of K J Shortis Limited for the year ended 31 January 2001 on pages five to twenty one. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all 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 the Report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 company and group's affairs as at 31st January 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

Dated: 11 SEPTEMBER 2000

K J SHORTIS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2001

	Notes	2001 £	2000 £
TURNOVER	2	17,525,914	17,185,825
Cost of sales		10,320,105	10,044,084
GROSS PROFIT		<u>7,205,809</u>	<u>7,141,741</u>
Net operating expenses		6,554,343	6,360,480
OPERATING PROFIT	4	<u>651,466</u>	<u>781,261</u>
Profit on disposal of fixed assets		333,819	30,687
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>985,285</u>	<u>811,948</u>
Interest payable	5	(4,212)	(10,515)
Interest receivable		36,413	7,430
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,017,486</u>	<u>808,863</u>
Tax on profit on ordinary activities	6	264,269	264,898
PROFIT FOR THE FINANCIAL YEAR		<u>753,217</u>	<u>543,965</u>
Dividends	24	(10,290)	(29,354)
Retained profit for the financial year	19	<u>£742,927</u>	<u>£514,611</u>
Profit for the financial year dealt with in :			
Parent company		474,987	190,384
Subsidiary companies		278,230	353,581
		<u>£753,217</u>	<u>£543,965</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 2001

	2001	2000
	£	£
Profit for the financial year	753,217	543,965
Realised surplus on revaluation of properties	26,677	-
Total recognised gains and losses since the last annual report	<u>£779,894</u>	<u>£543,965</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

for the year ended 31 January 2001

	2001	2000
	£	£
Reported profit on ordinary activities before taxation	1,017,486	808,863
Realisation of property revaluation gains of previous years	26,677	-
Historical cost profit on ordinary activities before taxation	<u>£1,044,163</u>	<u>£808,863</u>
Historical cost profit for the year retained after taxation and dividends.	<u>£769,604</u>	<u>£514,611</u>

The notes form part of these financial statements

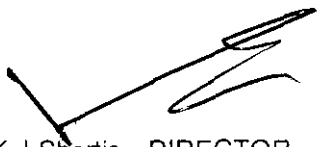
K J SHORTIS LIMITED

GROUP BALANCE SHEET

31 January 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Intangible assets	7	402,951		375,899	
Negative goodwill	7	-		(6,332)	
			402,951		369,567
Tangible assets	8		4,732,308		4,307,524
			<u>5,135,259</u>		<u>4,677,091</u>
CURRENT ASSETS					
Stocks	11	2,824,327		2,858,437	
Debtors	12	989,778		884,003	
Cash at bank and in hand		474,026		323,837	
			<u>4,288,131</u>	<u>4,066,277</u>	
CREDITORS : amounts falling due within one year	13	(2,688,097)		(2,736,749)	
NET CURRENT ASSETS			<u>1,600,034</u>		<u>1,329,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,735,293</u>		<u>6,006,619</u>
CREDITORS : amounts falling due after more than one year	14	-		(11,753)	
PROVISION FOR LIABILITIES AND CHARGES :					
Deferred taxation	17	-		(2,500)	
			<u>-</u>	<u>(14,253)</u>	
NET ASSETS			<u>£6,735,293</u>		<u>£5,992,366</u>
CAPITAL AND RESERVES					
Called up share capital	18		246,770		246,770
Revaluation reserve	19		510,448		537,125
Profit and loss account	19		5,978,075		5,208,471
SHAREHOLDERS' FUNDS	20		<u>£6,735,293</u>		<u>£5,992,366</u>

ON BEHALF OF THE BOARD:


K J Shortis - DIRECTOR

11 September 2001

The notes form part of these financial statements

K J SHORTIS LIMITED
PARENT COMPANY BALANCE SHEET

31 January 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	9		3,811,475		3,361,717
Investments in subsidiaries	10		256,559		256,559
Intangible assets - goodwill			1		1
			4,068,035		3,618,277
CURRENT ASSETS					
Debtors	12	246,495		792,108	
Cash at bank		892,245		315,600	
			1,138,740		1,107,708
CREDITORS: amounts falling due within one year					
	13	(1,745,478)		(1,729,385)	
NET CURRENT LIABILITIES			(606,738)		(621,677)
NET ASSETS			£3,461,297		£2,996,600
CAPITAL AND RESERVES					
Called up share capital	18		246,770		246,770
Revaluation reserve	19		379,602		406,279
Profit and loss account	19		2,834,925		2,343,551
SHAREHOLDERS' FUNDS	20		£3,461,297		£2,996,600
ON BEHALF OF THE BOARD:					


K J Shortis - DIRECTOR

11 September 2001

The notes form part of these financial statements

K J SHORTIS LIMITED
GROUP CASH FLOW STATEMENT
for the year ended 31 January 2001

	Notes	£	2001 £	£	2000 £
Net cash inflow from operating activities	1		1,089,082		1,218,084
Returns on investments and servicing of finance	2		32,201		(3,085)
Taxation			(275,836)		(325,515)
Capital expenditure	2		(550,023)		(374,836)
Equity dividends paid			(9,822)		(49,354)
			<u>285,602</u>		<u>465,294</u>
Financing	2		(9,347)		(8,392)
Management of liquid resources	2		(10,000)		(110,000)
Increase in cash in the year			<u>£266,255</u>		<u>£346,902</u>

Reconciliation of net cash flow to movement in net debt

3

Increase in cash in the year	266,255	346,902
Cash outflow from decrease in debt and lease financing	9,347	8,392
Cash outflow from increase in liquid resources	10,000	110,000
Change in net debt resulting from cash flows	<u>285,602</u>	<u>465,294</u>
Movement in net debt in the year	<u>285,602</u>	<u>465,294</u>
Net cash/(debt) at 1 February 2000	166,625	(298,669)
Net cash at 31 January 2001	<u>£452,227</u>	<u>£166,625</u>

NOTES TO THE GROUP CASH FLOW STATEMENT

for the year ended 31 January 2001

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

	2001 £	2000 £
Operating profit	651,466	781,261
Depreciation	339,453	313,494
Amortisation of goodwill	86,221	50,338
Decrease in stocks	34,110	35,717
(Increase)/decrease in debtors	(105,775)	15,608
Increase in creditors	83,607	21,666
Net cash inflow from operating activities	£1,089,082	£1,218,084

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	36,413	7,430
Interest paid	(4,212)	(10,515)
Net cash inflow/(outflow) for returns on investments and servicing of finance	£32,201	£(3,085)
Capital expenditure		
Purchase of tangible fixed assets	(1,019,150)	(423,263)
Sale of tangible fixed assets	588,732	48,427
Purchase of intangible fixed assets	(119,605)	-
Net cash (outflow) for capital expenditure	£(550,023)	£(374,836)
Financing		
Loan repayments in year	(10,000)	(110,000)
Hire purchase repayments	(9,347)	(8,392)
Net cash (outflow) from financing	£(19,347)	£(118,392)

NOTES TO THE GROUP CASH FLOW STATEMENT

for the year ended 31 January 2001

3. ANALYSIS OF CHANGES IN NET DEBT

	At 01.02.00 £	Cashflow £	At 31.01.01 £
Net cash:			
Cash at bank and in hand	323,837	150,189	474,026
Bank overdraft	(116,066)	116,066	-
	<u>207,771</u>	<u>266,255</u>	<u>474,026</u>
Debt:			
Hire purchase and finance leases	(21,100)	9,347	(11,753)
Debts falling due within one year	(20,046)	10,000	(10,046)
	<u>(41,146)</u>	<u>19,347</u>	<u>(21,799)</u>
Total	<u>£166,625</u>	<u>£285,602</u>	<u>£452,227</u>

Analysed in Balance Sheet

Cash at bank and in hand	323,837	474,026
Bank overdraft	(116,066)	-
Hire purchase and finance leases		
- within one year	(9,347)	(11,753)
- after one year	(11,753)	-
Bank loans falling due within one year	-	-
Other loans falling due within one year	(20,046)	(10,046)
	<u>£166,625</u>	<u>£452,227</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

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 the accounting standard in respect of the revaluation of properties, investment property has been retained at the book valuations as at 31 January 2000. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2001

1. ACCOUNTING POLICIES (continued)

Pensions

The parent company operates a money purchase 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 money purchase 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. STAFF COSTS

	2001 £	2000 £
Wages and salaries	3,819,254	3,672,751
Social security costs	314,891	301,544
Other pension costs	102,018	158,915
	<u>£4,236,163</u>	<u>£4,133,210</u>

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

	2001 No	2000 No
Sales and administration	320	292

4. OPERATING PROFIT

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

	2001 £	2000 £
Depreciation - owned assets	330,187	304,231
Depreciation - assets on hire purchase contracts	9,265	9,263
Goodwill written off	86,221	50,338
Auditors remuneration	13,000	15,000
Operating lease rentals - land and buildings	277,447	286,893
Rents received	(52,376)	(49,574)
	<u>166,626</u>	<u>163,037</u>
Directors emoluments (including amounts paid by subsidiaries)	166,626	163,037
Directors pension contributions to money purchase schemes	81,000	141,000

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

Money purchase schemes	3	3
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2001

5. INTEREST PAYABLE

	2001 £	2000 £
On hire purchase obligations	1,669	2,624
On bank loans, other loans and overdrafts wholly repayable within five years	2,362	7,891
On overdue tax	181	-
	<u>£4,212</u>	<u>£10,515</u>

6. TAXATION

	2001 £	2000 £
The tax charge on the profit on ordinary activities for the year was as follows:		
UK corporation tax	261,200	270,567
Deferred taxation	(2,500)	(4,828)
Corporation tax under/(over) provision in previous years	5,569	(841)
	<u>£264,269</u>	<u>£264,898</u>

UK corporation tax was charged at 30% in 2001 (2000 30%).

7. INTANGIBLE FIXED ASSETS GROUP

	Negative goodwill arising on acquisition of subsidiaries £	Purchased goodwill £	Goodwill arising on acquisition of subsidiaries £	Total £
COST				
At 1 February 2000	(7,916)	181,101	438,034	611,219
Released	7,916	-	-	7,916
Addition	-	42,250	69,439	111,689
At 31 January 2001	<u>-</u>	<u>223,351</u>	<u>507,473</u>	<u>730,824</u>
AMORTISATION				
At 1 February 2000	(1,584)	37,040	206,196	241,652
Charge for the year	1,584	30,685	53,952	86,221
At 31 January 2001	<u>-</u>	<u>67,725</u>	<u>260,148</u>	<u>327,873</u>
NET BOOK VALUE				
At 31 January 2001	<u>£ -</u>	<u>£155,626</u>	<u>£247,325</u>	<u>£402,951</u>
At 31 January 2000	<u>£(6,332)</u>	<u>£144,061</u>	<u>£231,838</u>	<u>£369,567</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

8. 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 2000	265,000	3,569,843	28,254	463,841	793,938	396,148	6,830	5,523,854
Additions	-	623,199	-	69,069	214,713	112,169	-	1,019,150
Disposals	(35,000)	(223,428)	-	(1,025)	(223,487)	-	-	(482,940)
At 31 January 2001	230,000	3,969,614	28,254	531,885	785,164	508,317	6,830	6,060,064
DEPRECIATION								
At 1 February 2000	-	43,661	19,759	350,027	531,780	264,273	6,830	1,216,330
Charge for year	-	27,801	1,197	44,656	174,614	91,184	-	339,452
Disposals	-	(18,538)	-	-	(209,488)	-	-	(228,026)
At 31 January 2001	-	52,924	20,956	394,683	496,906	355,457	6,830	1,327,756
NET BOOK VALUE								
At 31 January 2001	£230,000	£3,916,690	£7,298	£137,202	£288,258	£152,860	£ -	£4,732,308
At 31 January 2000	£265,000	£3,526,182	£8,495	£113,814	£262,158	£131,875	£ -	£4,307,524

Cost or valuation at 31 January 2001 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	91,768	77,505	-	-	-	-	-	169,273
Valuation in 1997	27,609	313,566	-	-	-	-	-	341,175
Cost	110,623	3,578,543	28,254	531,885	785,164	508,317	6,830	5,549,616
At 31 January 2001	£230,000	£3,969,614	£28,254	£531,885	£785,164	£508,317	£6,830	£6,060,064

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 £3,689,166 (2000 - £3,313,646).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

8. TANGIBLE FIXED ASSETS GROUP - continued

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

	Office equipment £	Motor vehicles £	Total £
COST			
At 1 February 2000 and 31 January 2001	20,805	7,474	28,279
DEPRECIATION:			
At 1 February 2000	7,272	3,006	10,278
Charge for year	6,496	2,769	9,265
At 31 January 2001	13,768	5,775	19,543
NET BOOK VALUE:			
At 31 January 2001	£7,037	£1,699	£8,736
At 31 January 2000	£13,533	£4,468	£18,001

9. 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 2000	895	265,000	3,135,066	2,215	3,403,176
Additions	1,295	-	623,199	-	624,494
Disposals	-	(35,000)	(117,722)	-	(152,722)
At 31 January 2001	2,190	230,000	3,640,543	2,215	3,874,948
DEPRECIATION					
At 1 February 2000	358	-	40,409	692	41,459
Charge for year	438	-	25,401	332	26,171
Eliminated on disposal	-	-	(4,157)	-	(4,157)
At 31 January 2001	796	-	61,653	1,024	63,473
NET BOOK VALUE					
At 31 January 2001	£1,394	£230,000	£3,578,890	£1,191	£3,811,475
At 31 January 2000	£537	£265,000	£3,094,657	£1,523	£3,361,717

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

9. TANGIBLE FIXED ASSETS PARENT COMPANY - continued

Cost or valuation at 31 January 2001 is represented by:

	Office Equipment	Investment properties	Freehold land and buildings	Fixtures, fittings, plant and machinery	Total
	£	£	£	£	£
Valuation in 1996	-	91,768	26,784	-	118,552
Valuation in 1997	-	27,609	233,441	-	261,050
Cost	2,190	110,623	3,380,318	2,215	3,495,346
	£2,190	£230,000	£3,640,543	£2,215	£3,874,948

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 £3,490,941.

10. FIXED ASSET INVESTMENTS PARENT COMPANY

Unlisted investments :

	Shares in group Companies
Cost	
1 February 2000 and 31 January 2001	£256,559

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.

11. STOCKS

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Finished goods	2,824,327	2,858,437	-	-

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

12. DEBTORS

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	886,786	775,878	-	-
Prepayments	99,811	98,292	1,987	-
Amounts owed by group companies	-	-	244,508	792,108
Other debtors	3,181	9,833	-	-
	<u>£989,778</u>	<u>£884,003</u>	<u>£246,495</u>	<u>£792,108</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans and overdrafts (see note 15)	-	116,066	-	-
Trade creditors	1,777,627	1,728,097	-	-
Amounts owed to group companies	-	-	1,542,935	1,539,267
Corporation tax	261,200	270,267	104,000	87,267
Other taxes and social security costs	372,043	350,934	8,645	8,972
Other creditors	47,314	48,146	15,000	15,000
Accruals and deferred income	202,969	189,169	69,753	74,202
Other loans	10,046	20,046	-	-
Hire purchase contracts (see note 16)	11,753	9,347	-	-
Proposed dividend	5,145	4,677	5,145	4,677
	<u>£2,688,097</u>	<u>£2,736,749</u>	<u>£1,745,478</u>	<u>£1,729,385</u>

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

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

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Hire purchase contracts (see note 16)	-	11,753	-	-
	<u>-</u>	<u>11,753</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

15. LOANS AND OVERDRAFTS

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

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdraft	-	116,066	-	-
Bank loan	-	-	-	-
	<u>£-</u>	<u>£116,066</u>	<u>£-</u>	<u>£-</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.

16. OBLIGATIONS UNDER HIRE PURCHASE AND LEASE CONTRACTS

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

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Within one year	11,753	9,347	-	-
Between one and two years	-	11,753	-	-
Between two and five years	-	-	-	-
	<u>£11,753</u>	<u>£21,100</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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

16. 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	
	2001 £	2000 £	2001 £	2000 £
Expiring:				
Within one year	35,077	18,600	-	-
Between one and five years	67,690	94,417	-	-
In more than five years	118,500	134,500	-	-
	<u>£221,267</u>	<u>£247,517</u>	<u>£ -</u>	<u>£ -</u>

17. DEFERRED TAXATION

	2001 £	2000 £
At 1 February 2000	2,500	7,328
Transferred to profit and loss account	(2,500)	(4,828)
	<u>£-</u>	<u>£2,500</u>
At 31 January 2001		

18. SHARE CAPITAL

	Authorised		Allotted issued and fully paid	
	2001 No.	2000 No.	2001 £	2000 £
Ordinary shares of £1 each	500,000	500,000	£246,770	£246,770

19. RESERVES

	Group		Parent company	
	Revaluation reserve £	Profit & loss account £	Revaluation reserve £	Profit & loss account £
At 1 February 2000	537,125	5,208,471	406,279	2,343,551
Retained profit	-	742,927	-	464,697
Released on disposal	(26,677)	26,677	(26,677)	26,677
	<u>£510,448</u>	<u>£5,978,075</u>	<u>£379,602</u>	<u>£2,834,925</u>
At 31 January 2001				
Revaluation reserve analysis				
	£		£	
Freehold property	391,071		260,225	
Investment property	119,377		119,377	
	<u>£510,448</u>		<u>£379,602</u>	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2001

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	Group		Parent company	
	2001	2000	2001	2000
	£	£	£	£
Profit for the financial year after taxation	779,894	543,965	501,664	189,592
Dividends	(10,290)	(29,354)	(10,290)	(29,354)
	769,604	514,611	491,374	160,238
Opening shareholders' funds	5,992,366	5,477,755	2,996,600	2,836,362
Revaluation reserve released on disposal	(26,677)	-	(26,677)	-
Closing shareholders' funds	£6,735,293	£5,992,366	£3,461,297	£2,996,600

21. CONTINGENT LIABILITY

There is a contingent liability to Capital Gains Tax which represents the liability which would arise if the revalued Freehold and Investment property was sold for its net book value as included in these financial statements. In the absence of 1982 Valuations it is not possible to accurately quantify this amount, if any.

22. 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 £102,018 for the year (2000 £158,915).

23. 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 £10,046 (2000 £20,046). 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. The loan bears interest at 8% per annum. The interest charged to the profit and loss account is £1,200 (2000 £1,200).

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.

24. DIVIDENDS

	2001		2000	
	£	£	£	£
Interim dividend paid of 11p (2000 - 10p) per share	27,145		24,677	
Less dividend waived	(22,000)		-	
		5,145		24,677
Proposed final dividend of 11p (2000 - 10p) per share	27,145		24,677	
Less dividend waived	(22,000)		(20,000)	
		5,145		4,677
		£10,290		£29,354