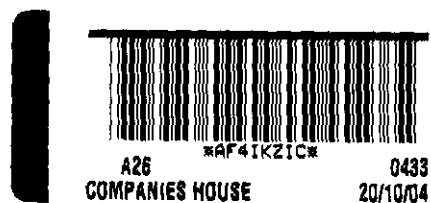


REGISTERED NUMBER: 01022321 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2004
FOR
K J SHORTIS LIMITED



K J SHORTIS LIMITED

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for the year ended 31 January 2004**

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K J SHORTIS LIMITED
COMPANY INFORMATION
for the year ended 31 January 2004

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 124 Thorpe Road Norwich Norfolk NR1 1RS
SOLICITORS:	Howes Percival 51 Colegate Norwich Norfolk NR3 1DD

K J SHORTIS LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 January 2004

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2004.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the supply and fitting of motor spares and accessories.

REVIEW OF BUSINESS

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

2004 has been another highly satisfactory year with all operations contributing to the pre-tax profits which were up 6.9% at £2,276,929.

The policy of wherever possible purchasing the freeholds of our trading sites has been vindicated by the considerable increase in the values of those properties.

The post balance sheet purchase of the Motosave group of 24 stores based in Leeds brings our trading sites up to 70 and even after the acquisition the group has no borrowings or mortgages.

DIVIDENDS

An interim dividend of 15p per share was paid on 3 October 2003. A final dividend of 22.5p has been proposed to the board. Mr K J Shortis has waived his right to both these dividends.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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 2004 in the issued share capital of the company were as follows:

	31.1.04	1.2.03
Ordinary £1 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.

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.

K J SHORTIS LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 January 2004

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 as at 31 January 2004 group owned land and buildings had a total value of not less than £7.5 million.

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 the 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 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 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 company and 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 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
Mr K J Shortis - Director

Date: 29 September 2004.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
K J SHORTIS LIMITED**

We have audited the financial statements of K J Shortis Limited for the year ended 31 January 2004 on pages five to twenty four. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the group's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page three the group'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 group 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 group 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.

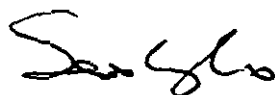
Basis of audit opinion

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 affairs of the company and the group as at 31 January 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sexby & Co
124 Thorpe Road
Norwich
Norfolk
NR1 1RS

Date: 29 September 2004

K J SHORTIS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2004

	Notes	2004 £	2003 £
TURNOVER		24,250,054	24,095,980
Cost of sales		<u>13,404,270</u>	<u>13,421,047</u>
GROSS PROFIT		10,845,784	10,674,933
Administrative expenses		<u>8,629,974</u>	<u>8,568,645</u>
OPERATING PROFIT	3	2,215,810	2,106,288
Interest receivable and similar income		<u>64,367</u>	<u>53,609</u>
		2,280,177	2,159,897
Interest payable and similar charges	4	<u>3,248</u>	<u>30,046</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,276,929	2,129,851
Tax on profit on ordinary activities	5	<u>728,491</u>	<u>690,170</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,548,438	1,439,681
Minority interests		-	8,706
Minority interest - equity		-	-
Dividends	7	<u>17,539</u>	<u>15,201</u>
RETAINED PROFIT FOR THE YEAR FOR THE GROUP		<u>1,530,899</u>	<u>1,415,774</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current and previous years.

K J SHORTIS LIMITED

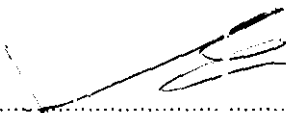
**NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 January 2004**

	2004 £	2003 £
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	2,276,929	2,129,851
Realisation of revaluation gain	<u>12,500</u>	<u>-</u>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>2,289,429</u>	<u>2,129,851</u>
HISTORICAL COST PROFIT		
FOR THE YEAR RETAINED AFTER TAXATION, MINORITY INTERESTS AND DIVIDENDS	<u>1,543,399</u>	<u>1,415,774</u>

K J SHORTIS LIMITED
CONSOLIDATED BALANCE SHEET
31 January 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	8	470,820	569,229
Tangible assets	9	<u>5,791,989</u>	<u>5,665,839</u>
		6,262,809	6,235,068
CURRENT ASSETS			
Stocks	11	3,867,634	3,611,795
Debtors	12	1,607,928	1,498,253
Cash at bank and in hand		<u>2,172,189</u>	<u>995,357</u>
		7,647,751	6,105,405
CREDITORS			
Amounts falling due within one year	13	<u>3,292,164</u>	<u>3,252,516</u>
NET CURRENT ASSETS			
		<u>4,355,587</u>	<u>2,852,889</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		10,618,396	9,087,957
CREDITORS			
Amounts falling due after more than one year	14	-	460
		<u>10,618,396</u>	<u>9,087,497</u>
CAPITAL AND RESERVES			
Called up share capital	16	246,770	246,770
Revaluation reserve	17	497,948	510,448
Profit and loss account	17	<u>9,873,678</u>	<u>8,330,279</u>
SHAREHOLDERS' FUNDS			
	22	<u>10,618,396</u>	<u>9,087,497</u>

ON BEHALF OF THE BOARD:



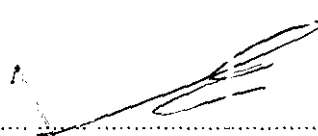
 Mr K J Shortis - Director

Approved by the Board on 29 September 2004

K J SHORTIS LIMITED
COMPANY BALANCE SHEET
31 January 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	8	1	1
Tangible assets	9	4,374,358	4,189,428
Investments	10	<u>256,559</u>	<u>256,559</u>
		4,630,918	4,445,988
CURRENT ASSETS			
Debtors	12	380,701	799,741
Cash at bank		<u>2,795,791</u>	<u>1,690,027</u>
		3,176,492	2,489,768
CREDITORS			
Amounts falling due within one year	13	<u>3,335,100</u>	<u>2,879,664</u>
NET CURRENT LIABILITIES		<u>(158,608)</u>	<u>(389,896)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,472,310</u>	<u>4,056,092</u>
CAPITAL AND RESERVES			
Called up share capital	16	246,770	246,770
Revaluation reserve	17	367,102	379,602
Profit and loss account	17	<u>3,858,438</u>	<u>3,429,720</u>
SHAREHOLDERS' FUNDS	22	<u>4,472,310</u>	<u>4,056,092</u>

ON BEHALF OF THE BOARD:



 Mr K J Shortis - Director

Approved by the Board on 29 September 2004

K J SHORTIS LIMITED

CASH FLOW STATEMENT
for the year ended 31 January 2004

	Notes	2004 £	£	2003 £	£
Net cash inflow from operating activities	1		2,459,975		2,109,616
Returns on investments and servicing of finance	2		61,119		23,563
Taxation			(827,816)		(655,439)
Capital expenditure	2		(491,952)		(294,728)
Acquisitions and disposals	2		-		(1,163,838)
Equity dividends paid			(16,370)		(11,693)
			1,184,956		7,481
Financing	2		(8,124)		(445,171)
Increase/(Decrease) in cash in the period			<u>1,176,832</u>		<u>(437,690)</u>
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		1,176,832		(437,690)	
Cash outflow from decrease in debt and lease financing		<u>8,124</u>		<u>1,589,171</u>	
Change in net funds resulting from cash flows			<u>1,184,956</u>		<u>1,151,481</u>
Movement in net funds in the period			1,184,956		1,151,481
Net funds/(debt) at 1 February			<u>986,773</u>		<u>(164,708)</u>
Net funds at 31 January			<u>2,171,729</u>		<u>986,773</u>

K J SHORTIS LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 January 2004

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

	2004 £	2003 £
Operating profit	2,215,810	2,106,288
Depreciation charges	464,210	493,387
Increase in stocks	(255,839)	(147,081)
(Increase)/Decrease in debtors	(109,675)	81,326
Increase/(Decrease) in creditors	145,469	(424,304)
Net cash inflow from operating activities	<u>2,459,975</u>	<u>2,109,616</u>

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

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	64,367	53,609
Interest paid	(2,454)	(22,628)
Interest element of hire purchase payments	(794)	(7,418)
Net cash inflow for returns on investments and servicing of finance	<u>61,119</u>	<u>23,563</u>
Capital expenditure		
Purchase of tangible fixed assets	(601,040)	(418,894)
Sale of tangible fixed assets	109,088	124,166
Net cash outflow for capital expenditure	<u>(491,952)</u>	<u>(294,728)</u>
Acquisitions and disposals		
Purchase of subsidiary undertaking	-	(19,838)
Deferred payment	-	(1,144,000)
Net cash outflow for acquisitions and disposals	<u>-</u>	<u>(1,163,838)</u>
Financing		
Hire purchase movements	(8,124)	(67,950)
Loan repayments	-	(377,221)
Net cash outflow from financing	<u>(8,124)</u>	<u>(445,171)</u>

K J SHORTIS LIMITED

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 January 2004

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.03 £	Cash flow £	At 31.1.04 £
Net cash:			
Cash at bank and in hand	<u>995,357</u>	<u>1,176,832</u>	<u>2,172,189</u>
	<u>995,357</u>	<u>1,176,832</u>	<u>2,172,189</u>
Debt:			
Hire purchase	<u>(8,584)</u>	<u>8,124</u>	<u>(460)</u>
	<u>(8,584)</u>	<u>8,124</u>	<u>(460)</u>
Total	<u><u>986,773</u></u>	<u><u>1,184,956</u></u>	<u><u>2,171,729</u></u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2004

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 203 (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 sales 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 property	Buildings only at 2% straight line
Improvements to leasehold property	Over the term of the lease
Office equipment	15-33% straight line basis
Fixtures, fittings plant and machinery	15% straight line basis
Motor vehicles	25% straight line basis

Premiums paid on short term leases are written off on acquisition.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the average cost of all purchases in stock.

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 relevant.

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 contracts are depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital elements 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 money purchase scheme for 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.

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at current rates for tax deferred in respect of all material timing differences. Deferred assets are only recognised to the extent that they are considered recoverable. The company has not adopted a policy of discounting deferred tax assets and liabilities.

2. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	5,446,108	5,181,399
Social security costs	478,354	417,757
Other pension costs	<u>34,024</u>	<u>32,241</u>
	<u>5,958,486</u>	<u>5,631,397</u>

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

	2004	2003
Sales and administration	<u>391</u>	<u>389</u>

3. OPERATING PROFIT

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

	2004	2003
	£	£
Depreciation - owned assets	363,953	381,263
Depreciation - assets on hire purchase contracts	1,848	13,715
Profit on disposal of fixed assets	(63,300)	(24,652)
Goodwill written off	98,409	98,409
Alcitors remuneration	<u>21,780</u>	<u>22,980</u>
Directors' emoluments (including amounts paid by subsidiaries)	<u>178,452</u>	<u>205,453</u>

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

	3	3
Money purchase schemes	<u>3</u>	<u>3</u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Bank interest	-	6,504
Interest on overdue tax	2,454	743
Loan notes	-	15,381
Hire purchase	794	7,418
	<u>3,248</u>	<u>30,046</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
JK corporation tax	722,665	676,000
Adjustment re previous year	<u>5,826</u>	<u>14,170</u>
Total current tax	<u>728,491</u>	<u>690,170</u>
Tax on profit on ordinary activities	<u>728,491</u>	<u>690,170</u>

UK corporation tax has been charged at 30% (2003 - 30%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	<u>2,276,929</u>	<u>2,129,851</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 - 30%)	683,079	638,955
Effects of:		
Depreciation in the period in excess of capital allowances	59,059	58,140
Marginal relief	(1,766)	(2,075)
Provision rounding	758	361
Profit on sale of fixed assets	(18,991)	(7,396)
Adjustment re previous years	6,352	14,470
Allowable expenditure	<u>-</u>	<u>(12,285)</u>
Current tax charge	<u>728,491</u>	<u>690,170</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £433,757 (2003 - £323,784).

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

7. DIVIDENDS

	2004 £	2003 £
Equity shares:		
Interim	7,016	5,847
Final	<u>10,523</u>	<u>9,354</u>
	<u>17,539</u>	<u>15,201</u>

8. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 February 2003
and 31 January 2004

1,090,937

AMORTISATION

At 1 February 2003
Amortisation for year

521,708
98,409

At 31 January 2004

620,117

NET BOOK VALUE

At 31 January 2004

470,820

At 31 January 2003

569,229

Company

Goodwill
£

COST

At 1 February 2003
and 31 January 2004

1

NET BOOK VALUE

At 31 January 2004

1

At 31 January 2003

1

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2004

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Long leasehold £	Investment properties £
COST OR VALUATION				
At 1 February 2003	4,973,356	28,254	67,100	130,000
Additions	290,611	-	-	-
Disposals	(75,000)	-	-	-
At 31 January 2004	<u>5,188,967</u>	<u>28,254</u>	<u>67,100</u>	<u>130,000</u>
DEPRECIATION				
At 1 February 2003	124,672	23,350	671	-
Charge for year	42,698	1,197	671	-
Eliminated on disposal	(2,500)	-	-	-
At 31 January 2004	<u>164,870</u>	<u>24,547</u>	<u>1,342</u>	<u>-</u>
NET BOOK VALUE				
At 31 January 2004	<u>5,024,097</u>	<u>3,707</u>	<u>65,758</u>	<u>130,000</u>
At 31 January 2003	<u>4,848,684</u>	<u>4,904</u>	<u>66,429</u>	<u>130,000</u>

	Fixtures, fittings, plant and machinery £	Motor vehicles £	Office equipment £	Totals £
COST OR VALUATION				
At 1 February 2003	653,071	1,032,331	573,179	7,457,291
Additions	44,080	265,749	600	601,040
Disposals	(250)	(301,718)	-	(376,968)
At 31 January 2004	<u>696,901</u>	<u>996,362</u>	<u>573,779</u>	<u>7,681,363</u>
DEPRECIATION				
At 1 February 2003	538,065	644,759	459,935	1,791,452
Charge for year	78,912	235,819	6,504	365,801
Eliminated on disposal	(249)	(265,130)	-	(267,879)
At 31 January 2004	<u>616,728</u>	<u>615,448</u>	<u>466,439</u>	<u>1,889,374</u>
NET BOOK VALUE				
At 31 January 2004	<u>80,173</u>	<u>380,914</u>	<u>107,340</u>	<u>5,791,989</u>
At 31 January 2003	<u>115,006</u>	<u>387,571</u>	<u>113,244</u>	<u>5,665,839</u>

Included in freehold property is freehold land valued at £2,927,994 (2003 - £2,832,688) which is not depreciated.

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

9. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 January 2004 is represented by:

	Freehold property £	Short leasehold £	Long leasehold £	Investment properties £
Valuation in 1996	89,504	-	-	79,769
Valuation in 1997	304,676	-	-	23,999
Cost	<u>4,794,787</u>	<u>28,254</u>	<u>67,100</u>	<u>26,232</u>
	<u>5,188,967</u>	<u>28,254</u>	<u>67,100</u>	<u>130,000</u>

	Fixtures, fittings, plant and machinery £	Motor vehicles £	Office equipment £	Totals £
Valuation in 1996	-	-	-	169,273
Valuation in 1997	-	-	-	328,675
Cost	<u>696,901</u>	<u>996,362</u>	<u>573,779</u>	<u>7,183,415</u>
	<u>696,901</u>	<u>996,362</u>	<u>573,779</u>	<u>7,681,363</u>

The freehold properties and investment properties were revalued by the directors on 31 January 1996 and 1997. The cost of these properties amounted to £4,821,019 (2003 - £4,592,908).

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

	Motor vehicles £
COST OR VALUATION	
At 1 February 2003	43,909
Transfer to ownership	<u>(36,490)</u>
At 31 January 2004	<u>7,419</u>
DEPRECIATION	
At 1 February 2003	22,487
Charge for year	1,848
Transfer to ownership	<u>(19,392)</u>
At 31 January 2004	<u>4,943</u>
NET BOOK VALUE	
At 31 January 2004	<u>2,476</u>
At 31 January 2003	<u>21,422</u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2004

9. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Investment properties £
COST OR VALUATION			
At 1 February 2003	4,106,448	67,100	130,000
Additions	290,611	-	-
Disposals	(75,000)	-	-
At 31 January 2004	<u>4,322,059</u>	<u>67,100</u>	<u>130,000</u>
DEPRECIATION			
At 1 February 2003	117,225	671	-
Charge for year	31,466	671	-
Eliminated on disposal	(2,500)	-	-
At 31 January 2004	<u>146,191</u>	<u>1,342</u>	<u>-</u>
NET BOOK VALUE			
At 31 January 2004	<u>4,175,868</u>	<u>65,758</u>	<u>130,000</u>
At 31 January 2003	<u>3,989,223</u>	<u>66,429</u>	<u>130,000</u>

	Office equipment £	Fixtures, fittings, plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 February 2003	2,190	5,395	1,000	4,312,133
Additions	-	306	-	290,917
Disposals	-	-	-	(75,000)
At 31 January 2004	<u>2,190</u>	<u>5,701</u>	<u>1,000</u>	<u>4,528,050</u>
DEPRECIATION				
At 1 February 2003	1,672	2,637	500	122,705
Charge for year	259	841	250	33,487
Eliminated on disposal	-	-	-	(2,500)
At 31 January 2004	<u>1,931</u>	<u>3,478</u>	<u>750</u>	<u>153,692</u>
NET BOOK VALUE				
At 31 January 2004	<u>259</u>	<u>2,223</u>	<u>250</u>	<u>4,374,358</u>
At 31 January 2003	<u>518</u>	<u>2,758</u>	<u>500</u>	<u>4,189,428</u>

Included in freehold property is freehold land valued at £2,648,757 (2003 - £2,553,451) which is not depreciated.

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

9. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 31 January 2004 is represented by:

	Freehold property £	Investment properties £	Long leasehold £
Valuation in 1996	26,784	79,769	-
Valuation in 1997	236,550	23,999	-
Cost	<u>4,058,725</u>	<u>26,232</u>	<u>67,100</u>
	<u>4,322,059</u>	<u>130,000</u>	<u>67,100</u>

	Office equipment £	Fixtures, fittings, plant and machinery £	Motor vehicles £	Totals £
Valuation in 1996	-	-	-	106,553
Valuation in 1997	-	-	-	260,549
Cost	<u>2,190</u>	<u>5,701</u>	<u>1,000</u>	<u>4,160,948</u>
	<u>2,190</u>	<u>5,701</u>	<u>1,000</u>	<u>4,528,050</u>

The freehold properties and investment properties were valued by the directors on the 31 January 1993 and 1997. The cost of these properties amounts to £4,084,957 (2003 - £3,856,846).

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 February 2003 and 31 January 2004	<u>256,559</u>
NET BOOK VALUE	
At 31 January 2004	<u>256,559</u>
At 31 January 2003	<u>256,559</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Fastfit Exhausts Limited

Country of incorporation: England

Nature of business: Supply and fitting of exhausts and tyres

Class of shares:	% holding
Ordinary	100.00

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

10. FIXED ASSET INVESTMENTS - continued

Wilco Motor Spares Limited

Country of incorporation: England

Nature of business: Retailer of car spares and accessories

	%
Class of shares:	holding
Ordinary	100.00

Cyclemaster Limited

Country of incorporation: England

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

E U Limited

Country of incorporation: England

Nature of business: Wholesaler of motor vehicle components

	%
Class of shares:	holding
Ordinary	100.00

J Smart & Co (Retail) Limited (Subsidiary of Wilco Motor Spares Limited)

Country of incorporation: England

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Carmaster Limited (Subsidiary of Wilco Motor Spares Limited)

Country of incorporation: England

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Linco plc (subsidiary of E U Limited)

Country of incorporation: England

Nature of business: Wholesaler of motor vehicle components

	%
Class of shares:	holding
Ordinary	100.00

11. STOCKS

	Group	
	2004	2003
	£	£
Finished goods	<u>3,867,634</u>	<u>3,611,795</u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2004

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	1,410,984	1,362,600	-	-
Other debtors	10,722	14,394	-	-
Amounts owed by group				
companies	-	-	368,104	790,882
prepayments	<u>186,222</u>	<u>121,259</u>	<u>12,597</u>	<u>8,859</u>
	<u>1,607,928</u>	<u>1,498,253</u>	<u>380,701</u>	<u>799,741</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Hire purchase contracts (see note 15)	460	8,124	-	-
Trade creditors	2,000,266	1,860,993	-	-
Social security and other taxes	518,901	518,634	3,325	18,956
Proposed dividends	10,523	9,354	10,523	9,354
Other creditors	35,233	44,535	-	-
Corporation tax	432,400	531,725	98,000	80,900
Amounts owed to group				
companies	-	-	3,104,059	2,676,623
Accrued expenses	<u>294,381</u>	<u>279,151</u>	<u>119,193</u>	<u>93,831</u>
	<u>3,292,164</u>	<u>3,252,516</u>	<u>3,335,100</u>	<u>2,879,664</u>

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

	Group	
	2004	2003
	£	£
Hire purchase contracts (see note 15)	<u>-</u>	<u>460</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group		Hire purchase contracts	
		2004	2003
		£	£
Net obligations repayable:			
Within one year		460	8,124
Between one and five years		<u>-</u>	<u>460</u>
		<u>460</u>	<u>8,584</u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following payments are committed to be paid within one year:

Group

	Land and buildings operating leases	
	2004 £	2003 £
Expiring:		
Within one year	27,205	19,500
Between one and five years	56,000	77,573
In more than five years	<u>98,000</u>	<u>120,500</u>
	<u>181,205</u>	<u>217,573</u>

Company

	Land and buildings operating leases	
	2004 £	2003 £
Expiring:		
In more than five years	<u>23,000</u>	<u>23,000</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 Linco plc.

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004 £	2003 £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004 £	2003 £
246,770	Ordinary	£1	<u>246,770</u>	<u>246,770</u>

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

17. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 February 2003	8,330,279	510,448	8,840,727
Retained profit for the year	1,530,899	-	1,530,899
Revaluation realised on disposal	12,500	(12,500)	-
At 31 January 2004	<u>9,873,678</u>	<u>497,948</u>	<u>10,371,626</u>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 February 2003	3,429,720	379,602	3,809,322
Retained profit for the year	416,218	-	416,218
Revaluation realised on disposal	12,500	(12,500)	-
At 31 January 2004	<u>3,858,438</u>	<u>367,102</u>	<u>4,225,540</u>

18. PENSION COMMITMENTS

The parent company operates a money purchase pension scheme for the directors. The group operates a money purchase pension scheme for other employees.

The pension cost charge amounted to £34,024 (2003 £32,241).

19. CONTINGENT LIABILITIES

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.

20. RELATED PARTY DISCLOSURES

Property owned by the Taylor Patterson SIPP, for Mr K J Shortis, of which Mr K J Shortis is a trustee and beneficiary, was utilised by group companies. Annual rent payable is £54,000 (2003 £54,000).

21. POST BALANCE SHEET EVENTS

On 3 August 2004, K J Shortis Limited purchased the freehold of Forster Court, Leeds in the sum of £700,000, and Wilco Motor Spares Limited purchased 100% of the share capital of Motosave Holdings Limited and its subsidiary companies based at Forster Court, Leeds for the sum of £2,000,000. The purchase was for cash and funded from group reserves.

K J SHORTIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 January 2004

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2004 £	2003 £
Profit for the financial year	1,548,438	1,430,975
Dividends	<u>(17,539)</u>	<u>(15,201)</u>
Net addition to shareholders' funds	1,530,899	1,415,774
Opening shareholders' funds	<u>9,087,497</u>	<u>7,671,723</u>
Closing shareholders' funds	<u>10,618,396</u>	<u>9,087,497</u>
Equity interests	<u>10,618,396</u>	<u>9,087,497</u>

Company

	2004 £	2003 £
Profit for the financial year	433,757	323,784
Dividends	<u>(17,539)</u>	<u>(15,201)</u>
Net addition to shareholders' funds	416,218	308,583
Opening shareholders' funds	<u>4,056,092</u>	<u>3,747,509</u>
Closing shareholders' funds	<u>4,472,310</u>	<u>4,056,092</u>
Equity interests	<u>4,472,310</u>	<u>4,056,092</u>