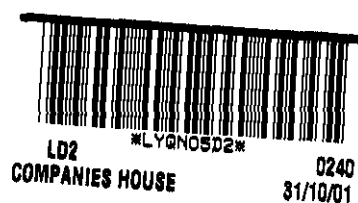


JOHN BANKS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2000

Company Registration Number 1831725



WHITING & PARTNERS

Chartered Accountants & Registered Auditors

Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

JOHN BANKS LIMITED
FINANCIAL STATEMENTS
Year ended 31 December 2000

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JOHN BANKS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr J.E. Banks
Mrs M.C.L. Banks
Mr M.J. Banks
Mr J.C. Banks
Mrs M.K.H. Banks-Browne

Company secretary

Mrs M.C.L. Banks

Registered office

Kempson Way
Moreton Hall
Bury St Edmunds
Suffolk

Auditors

Whiting & Partners
Chartered Accountants
& Registered Auditors
Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

Bankers

National Westminster Bank Plc
Cornhill
Bury St Edmunds
Suffolk

Solicitors

Ashton Graham
81 Guildhall Street
Bury St Edmunds
Suffolk
IP33 1PZ

JOHN BANKS LIMITED

THE DIRECTORS' REPORT

Year ended 31 December 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company and its trading subsidiary, John Banks (Ipswich) Limited, during the year was that of motor car dealers.

The directors are satisfied with the results reported by the parent and subsidiary companies during a difficult year for the motor car trade. The year end position is considered to be satisfactory.

The directors remain confident of the group's ability to meet market changes and maintain profitability in the forthcoming year.

RESULTS AND DIVIDENDS

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

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2000	At 1 January 2000 or later date of appointment
Mr J.E. Banks	227,440	227,440
Mrs M.C.L. Banks	96,662	96,662
Mr M.J. Banks	14,215	14,215
Mr J.C. Banks	14,215	14,215
Mrs M.K.H. Banks-Browne	14,215	14,215

The interests of J.E. Banks and Mrs M.C.L. Banks include joint interest in 82,447 shares.

Mrs M.K.H. Banks-Browne was appointed as a director on 24 January 2000.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

JOHN BANKS LIMITED

THE DIRECTORS' REPORT *(continued)*

Year ended 31 December 2000

DIRECTORS' RESPONSIBILITIES *continued*

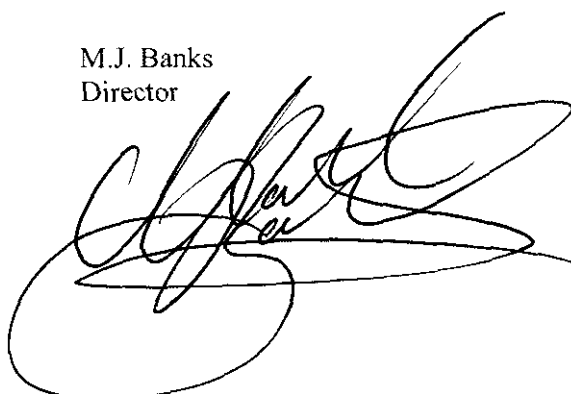
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

Signed on behalf of the directors

M.J. Banks
Director

A large, stylized handwritten signature in black ink, appearing to be 'M.J. Banks', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Registered office:
Kempson Way
Moreton Hall
Bury St Edmunds
Suffolk

Date: 30th October 2001

JOHN BANKS LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS

Year ended 31 December 2000

We have audited the financial statements on pages 5 to 16 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 9 to 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 and 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF AUDIT 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 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 company'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's affairs as at 31 December 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

WHITING & PARTNERS
Chartered Accountants
& Registered Auditors

Date: 30th October 2001

JOHN BANKS LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 December 2000

	Note	2000 £	1999 £
TURNOVER	2	10,166,223	11,300,822
Cost of sales		<u>9,431,937</u>	<u>10,516,729</u>
GROSS PROFIT		734,286	784,093
Administrative expenses		611,971	671,857
Other operating income		<u>(16,500)</u>	<u>(61,969)</u>
OPERATING PROFIT	3	138,815	174,205
Interest receivable		-	284
Interest payable	6	<u>(101,497)</u>	<u>(98,293)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,318	76,196
Tax on profit on ordinary activities	7	<u>(19,502)</u>	<u>(15,000)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		17,816	61,196
Balance brought forward		<u>565,140</u>	<u>503,944</u>
Balance carried forward		<u>582,956</u>	<u>565,140</u>

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

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

JOHN BANKS LIMITED

BALANCE SHEET

31 December 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	8	1,480,934	1,418,128
Investments	9	200,000	200,000
		<u>1,680,934</u>	<u>1,618,128</u>
CURRENT ASSETS			
Stocks	10	1,297,789	1,494,753
Debtors	11	378,089	341,463
Cash at bank and in hand		28,017	1,195
		<u>1,703,895</u>	<u>1,837,411</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,591,049)</u>	<u>(1,687,416)</u>
NET CURRENT ASSETS		<u>112,846</u>	<u>149,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,793,780</u>	<u>1,768,123</u>
CREDITORS: Amounts falling due after more than one year	13	<u>(407,428)</u>	<u>(406,587)</u>
		<u>1,386,352</u>	<u>1,361,536</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	<u>(22,000)</u>	<u>(15,000)</u>
		<u>1,364,352</u>	<u>1,346,536</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	284,300	284,300
Revaluation reserve	19	497,096	497,096
Profit and Loss Account		582,956	565,140
SHAREHOLDERS' FUNDS	20	<u>1,364,352</u>	<u>1,346,536</u>

These financial statements were approved by the directors on the 30th October 2001, and are signed on their behalf by:

M.J. Banks
Director

J.C. Banks
Director

The notes on pages 9 to 16 form part of these financial statements.

JOHN BANKS LIMITED**CASH FLOW STATEMENT**

Year ended 31 December 2000

	2000	1999
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	288,665	312,746
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	-	284
Interest paid	(98,438)	(94,415)
Interest element of hire purchase	(3,059)	(3,878)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(101,497)	(98,009)
TAXATION	(17)	(1,401)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(112,094)	(36,511)
Receipts from sale of fixed assets	-	65,000
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(112,094)	28,489
ACQUISITIONS AND DISPOSALS		
Acquisition of shares in group undertakings	-	(199,998)
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS	-	(199,998)
CASH INFLOW BEFORE FINANCING	75,057	41,827
FINANCING		
Advance/repayment of bank loans	(29,027)	(30,517)
Advance/(repayment) of other loans	(106,171)	235,081
Capital element of hire purchase	42,627	(40,254)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(92,571)	164,310
(DECREASE)/INCREASE IN CASH	(17,514)	206,137

JOHN BANKS LIMITED

CASH FLOW STATEMENT *(continued)*

Year ended 31 December 2000

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Operating profit	138,815	174,205
Depreciation	49,288	40,045
Profit on disposal of fixed assets	-	(5,240)
Decrease/(Increase) in stocks	196,964	(62,408)
(Increase)/Decrease in debtors	(43,027)	140,320
(Decrease)/Increase in creditors	(53,375)	25,824
Net cash inflow from operating activities	288,665	312,746

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000	1999
	£	£
(Decrease)/Increase in cash in the period	(17,514)	206,137
Net cash outflow from bank loans	29,027	30,517
Net cash outflow (inflow) from other loans	106,171	(235,081)
Cash outflow in respect of hire purchase	(42,627)	40,254
Change in net debt	(75,057)	41,827
Net debt at 1 January 2000	(986,254)	(1,028,081)
Net debt at 31 December 2000	(911,197)	(986,254)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2000	Cash flows	At 31 Dec 2000
	£	£	£
Net cash:			
Cash in hand and at bank	1,195	26,822	28,017
Overdrafts	(43,450)	(44,336)	(87,786)
	(42,255)	(17,514)	(59,769)
Debt:			
Debt due within 1 year	(534,480)	103,171	(431,309)
Debt due after 1 year	(405,845)	32,027	(373,818)
Hire purchase agreements	(3,674)	(42,627)	(46,301)
	(943,999)	92,571	(851,428)
Net debt	(986,254)	(75,057)	(911,197)

JOHN BANKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2000****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the carrying amount and the net sale proceeds.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% on cost
Plant & Machinery	- 10% on cost
Fixtures & Fittings	- 20% on cost
Motor Vehicles	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on selling price less the estimated cost of disposal.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account at a constant rate of charge on the balance of capital repayments outstanding.

Pension costs

The company operates defined contribution schemes. The assets of the schemes are held separately from those of the company in independently managed funds. The pension charge represents the amounts payable by the company to the funds in respect of the year.

JOHN BANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. TURNOVER

The turnover for the year is derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	49,288	40,045
Profit on disposal of fixed assets	-	(5,240)
Auditors' remuneration		
- as auditors	9,678	9,975
Operating lease costs:		
Plant and equipment	1,528	1,027

4. PARTICULARS OF EMPLOYEES

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

	2000	1999
	No.	No.
Number of administrative staff	26	23
Number of management staff	8	8
	34	31

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	713,594	762,142
Social security costs	70,900	71,568
Other pension costs	14,088	13,166
	798,582	846,876

JOHN BANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

5. DIRECTORS' EMOLUMENTS

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

	2000	1999
	£	£
Emoluments receivable	269,419	297,980
Value of company pension contributions to money purchase schemes	5,891	4,611
	<u>275,310</u>	<u>302,591</u>

Emoluments of highest paid director:

	2000	1999
	£	£
Total emoluments (excluding pension contributions):	80,222	112,595
Value of company pension contributions to money purchase schemes	2,035	1,355
	<u>82,257</u>	<u>113,950</u>

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

	2000	1999
	No.	No.
Money purchase schemes	<u>5</u>	<u>4</u>

6. INTEREST PAYABLE

	2000	1999
	£	£
Interest payable on bank borrowing	49,168	57,770
Finance charges	3,059	3,878
Other similar charges payable	49,270	36,645
	<u>101,497</u>	<u>98,293</u>

JOHN BANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Corporation Tax based on the results for the year at 20% (1999 - 20%)	6,000	-
Increase in deferred tax provision (Note 14):		
Capital allowances	7,000	15,000
	<u>13,000</u>	<u>15,000</u>
Adjustment in respect of previous years:		
Corporation Tax	6,502	-
	<u>19,502</u>	<u>15,000</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 January 2000	1,336,508	127,926	93,720	19,586	1,577,740
Additions	12,062	6,303	16,253	77,476	112,094
At 31 December 2000	<u>1,348,570</u>	<u>134,229</u>	<u>109,973</u>	<u>97,062</u>	<u>1,689,834</u>
DEPRECIATION					
At 1 January 2000	40,881	68,278	43,180	7,273	159,612
Charge for the year	10,709	13,903	13,099	11,577	49,288
At 31 December 2000	<u>51,590</u>	<u>82,181</u>	<u>56,279</u>	<u>18,850</u>	<u>208,900</u>
NET BOOK VALUE					
At 31 December 2000	<u>1,296,980</u>	<u>52,048</u>	<u>53,694</u>	<u>78,212</u>	<u>1,480,934</u>
At 31 December 1999	<u>1,295,627</u>	<u>59,648</u>	<u>50,540</u>	<u>12,313</u>	<u>1,418,128</u>

Revaluation of fixed assets

The freehold land and buildings were valued at £900,000 on 31st December 1995 on the basis of current asset value by Messrs Barker Storey Hart, Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The directors revalued the land and buildings at £1,300,000 on 31st December 1998 based on their estimate of current asset value and this valuation was incorporated in the financial statements. The directors are satisfied that the value of the land and buildings at 31st December 2000 was not materially different to its net book amount at that date.

If the land and buildings were sold at their net book amount a corporation tax liability of £150,000 would arise which is not provided for within these financial statements.

JOHN BANKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2000****8. TANGIBLE FIXED ASSETS** *(continued)*

If stated under historical cost principles, the comparable amounts for the total cost of land and buildings included above would be £851,473, (1999 - £839,410) and accumulated depreciation would be £51,590 (1999 - £40,881).

Hire purchase agreements

Included within the net book value of £1,480,934 is £71,386 (1999 - £7,934) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £11,024 (1999 - £2,195).

9. INVESTMENTS

	Shares in Group Undertakings £
COST	
At 1 January 2000 and 31 December 2000	<u>200,000</u>
NET BOOK VALUE	
At 31 December 2000	<u>200,000</u>
At 31 December 1999	<u>200,000</u>

The company owns 100% of the issued share capital of John Banks (Ipswich) Limited, a company incorporated in England.

At the balance sheet date the capital and reserves and result of the subsidiary company were as follows:-

Aggregate capital and reserves	£ 158,784
Retained Profit for the year	£ 3,673

10. STOCKS

	2000 £	1999 £
Finished goods	<u>1,297,789</u>	<u>1,494,753</u>

Included in stocks at the balance sheet date is £313,059 (1999 - £331,645) which represents vehicles held as consignment stock. The corresponding liability is included in trade creditors.

JOHN BANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

11. DEBTORS

	2000	1999
	£	£
Trade debtors	299,689	273,068
Amounts owed by group undertakings	25,457	3,700
Amounts due from Directors	15,729	3,635
Other debtors	1,401	10,802
Prepayments and accrued income	35,813	50,258
	<u>378,089</u>	<u>341,463</u>

12. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	118,786	71,450
Other loans	400,309	506,480
Trade creditors	911,850	991,581
Hire purchase agreements	12,691	2,932
Other creditors	4,339	671
Corporation Tax	6,084	-
Other Taxation and social security	32,924	31,519
Accruals and deferred income	104,066	82,783
	<u>1,591,049</u>	<u>1,687,416</u>

Included in trade creditors is an amount of £765,282 in connection with vehicle funding which is secured. The bank loans and overdraft are secured by a legal mortgage over the company's freehold property. The other loan relates to stocking plan finance provided by Honda Finance Limited which is secured by a fixed and floating charge over the assets and undertakings of the company. The hire purchase contracts are secured on the assets concerned.

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

	2000	1999
	£	£
Bank loans and overdrafts	373,818	405,845
Hire purchase agreements	33,610	742
	<u>407,428</u>	<u>406,587</u>

JOHN BANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

13. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2000 £	1999 £
Bank loans and overdrafts	<u>218,818</u>	<u>293,845</u>

Bank loans include a fixed rate commercial loan and a variable rate business loan. Interest rates at the year end were 10.25% and 7.75% respectively. The loans are repayable over a 15 year period from October 1995.

14. DEFERRED TAXATION

	2000 £	1999 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	15,000	-
Increase in provision	<u>7,000</u>	<u>15,000</u>
Provision carried forward	<u>22,000</u>	<u>15,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2000		1999	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	22,000	-	15,000	-
Other timing differences				
On revaluation	-	104,819	-	120,490
Capital gains rolled over		<u>44,510</u>		<u>44,510</u>
	<u>22,000</u>	<u>149,329</u>	<u>15,000</u>	<u>165,000</u>

Deferred taxation provided for is based on a corporation tax rate of 20%. Potential deferred tax is based on a corporation tax rate of 30% (1999 - 30%)

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	12,691	2,932
Amounts payable between 2 to 5 years	<u>33,610</u>	<u>742</u>
	<u>46,301</u>	<u>3,674</u>

JOHN BANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

16. CONTINGENCIES

There are contingent liabilities of the company on a guarantee given in support of a subsidiary company overdraft and loans amounting to £732,701 at the balance sheet date.

17. RELATED PARTY TRANSACTIONS

The company is under the control of the directors who are the principal shareholders.

During the year there were overdrawn directors' account balances as follows:-

	M.J. Banks £	J.C. Banks £
Balance at the beginning of the year	3,608	635
Balance at the end of the year	14,729	1,000
Maximum balance outstanding during the year	18,800	14,050

18. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
500,000 Ordinary shares of £1.00 each	500,000	500,000

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	284,300	284,300

19. RESERVES

	Revaluation reserve £
Opening balance	497,096
Balance carried forward	497,096

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	17,816	61,196
Opening shareholders' equity funds	1,346,536	1,285,340
Closing shareholders' equity funds	1,364,352	1,346,536