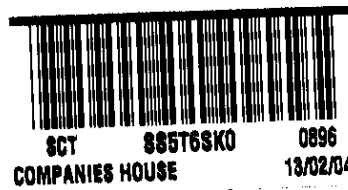


Abbreviated Accounts for the Year Ended 31 October 2002

for

Fruin Motors (Holdings) Limited



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for the Year Ended 31 October 2002

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Fruin Motors (Holdings) Limited

Company Information
for the Year Ended 31 October 2002

DIRECTORS:

R M Prow
J Niven

SECRETARY:

R M Prow

REGISTERED OFFICE:

135 East Clyde Street
Helensburgh
G84 7AB

REGISTERED NUMBER:

72939

AUDITORS:

Clements
Chartered Accountants and
Registered Auditors
17 Colquhoun Square
Helensburgh
G84 8AD

Report of the Directors
for the Year Ended 31 October 2002

The directors present their report with the financial statements of the company for the year ended 31 October 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of motor fuel together with the sale of motor cars and the carrying out of motor repairs.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2002.

DIRECTORS

The directors during the year under review were:

R M Prow
J Niven

The beneficial interests of the directors holding office on 31 October 2002 in the issued share capital of the company were as follows:

	31.10.02	1.11.01
Ordinary £1 shares		
R M Prow	38,000	38,000
J Niven	38,000	38,000

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 of the profit or loss of the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:



R M Prow - Secretary

12 February 2004

Report of the Independent Auditors to
Fruin Motors (Holdings) Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages four to sixteen, together with the full financial statements of the company for the year ended 31 October 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages four to sixteen are properly prepared in accordance with that provision.



Clements
Chartered Accountants and
Registered Auditors
17 Colquhoun Square
Helensburgh
G84 8AD

12 February 2004

Fruin Motors (Holdings) Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 October 2002

		31.10.02	31.10.01
	Notes	£	£
GROSS PROFIT		307,002	340,771
Administrative expenses		392,675	375,993
OPERATING LOSS	3	(85,673)	(35,222)
Interest receivable and similar income		43	452
		(85,630)	(34,770)
Interest payable and similar charges	4	61,362	63,708
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(146,992)	(98,478)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(146,992)	(98,478)
DEFICIT FOR THE YEAR		(146,992)	(98,478)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these abbreviated accounts

Abbreviated Balance Sheet

31 October 2002

		31.10.02		31.10.01	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	6		637,424		666,894
Investments	7		165,591		165,091
			<u>803,015</u>		<u>831,985</u>
CURRENT ASSETS					
Stocks	8	471,447		515,325	
Debtors	9	296,978		180,080	
Investments	10	11,738		11,738	
Cash in hand		825		685	
		<u>780,988</u>		<u>707,828</u>	
CREDITORS					
Amounts falling due within one year	11	1,541,624		1,346,457	
NET CURRENT LIABILITIES					
			<u>(760,636)</u>		<u>(638,629)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			42,379		193,356
CREDITORS					
Amounts falling due after more than one year	12		5,957		9,942
			<u>36,422</u>		<u>183,414</u>
CAPITAL AND RESERVES					
Called up share capital	16		100,000		100,000
Profit and loss account	17		(63,578)		83,414
SHAREHOLDERS' FUNDS					
	20		<u>36,422</u>		<u>183,414</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


R M Prow - Director

Approved by the Board on 12 February 2004

**Cash Flow Statement
for the Year Ended 31 October 2002**

		31.10.02		31.10.01	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		27,726		(177,405)
Returns on investments and servicing of finance	2		(61,319)		(62,868)
Taxation			5,748		(365)
Capital expenditure and financial investment	2		(18,166)		(174,587)
			(46,011)		(415,225)
Financing	2		(83,689)		136,807
Decrease in cash in the period			<u>(129,700)</u>		<u>(278,418)</u>
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(129,700)		(278,418)	
Cash inflow from decrease in liquid resources		-		(388)	
Cash outflow from decrease in debt and lease financing		<u>10,715</u>		<u>5,071</u>	
Change in net debt resulting from cash flows			(118,985)		(273,735)
New finance leases			<u>(12,236)</u>		<u>(21,292)</u>
Movement in net debt in the period			<u>(131,221)</u>		<u>(295,027)</u>
Net debt at 1 November			<u>(965,978)</u>		<u>(670,951)</u>
Net debt at 31 October			<u><u>(1,097,199)</u></u>		<u><u>(965,978)</u></u>

The notes form part of these abbreviated accounts

1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.10.02 £	31.10.01 £
Operating loss	(85,673)	(35,222)
Depreciation charges	29,593	35,615
Loss on disposal of fixed assets	29,779	-
Decrease/(Increase) in stocks	43,878	(161,885)
(Increase)/Decrease in debtors	(46,014)	27,269
Increase/(Decrease) in creditors	56,163	(43,182)
Net cash inflow/(outflow) from operating activities	27,726	(177,405)

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

	31.10.02 £	31.10.01 £
Returns on investments and servicing of finance		
Interest received	43	452
Interest paid	(60,084)	(63,333)
Interest element of hire purchase payments	(1,278)	(375)
Proceeds from Lapsed Rights	-	388
Net cash outflow for returns on investments and servicing of finance	(61,319)	(62,868)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(22,797)	(174,587)
Purchase of fixed asset investments	(500)	-
Sale of tangible fixed assets	5,131	-
Net cash outflow for capital expenditure and financial investment	(18,166)	(174,587)
Financing		
Capital repayments in year	(10,715)	(5,071)
Amount withdrawn by directors	(16,223)	(6,333)
Inter-Company Loan Accounts	(56,751)	148,211
Net cash (outflow)/inflow from financing	(83,689)	136,807

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.01 £	Cash flow £	Other non-cash changes £	At 31.10.02 £
Net cash:				
Cash at bank and in hand	685	140		825
Bank overdrafts	(912,180)	(129,840)		(1,042,020)
	<u>(911,495)</u>	<u>(129,700)</u>		<u>(1,041,195)</u>
Liquid resources:				
Current asset investments	11,738	-	-	11,738
	<u>11,738</u>	<u>-</u>	<u>-</u>	<u>11,738</u>
Debt:				
Hire purchase	(16,221)	10,715	(12,236)	(17,742)
Debts falling due within one year	(50,000)	-	-	(50,000)
	<u>(66,221)</u>	<u>10,715</u>	<u>(12,236)</u>	<u>(67,742)</u>
Total	<u>(965,978)</u>	<u>(118,985)</u>	<u>(12,236)</u>	<u>(1,097,199)</u>

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on building cost
Plant and machinery	- 12.5% on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

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

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

Pensions

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

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.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

2. STAFF COSTS

	31.10.02	31.10.01
	£	£
Wages and salaries	476,418	446,326
Social security costs	38,123	33,260
Other pension costs	858	704
	515,399	480,290

2. STAFF COSTS - continued

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

	31.10.02	31.10.01
Distribution Staff	29	29
Administrative Staff	6	6
Management Staff	2	2
	<u>37</u>	<u>37</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	31.10.02	31.10.01
	£	£
Other operating leases	1,020	2,444
Other operating leases	1,589	1,413
Depreciation - owned assets	23,872	32,954
Depreciation - assets on hire purchase contracts	5,721	2,661
Loss on disposal of fixed assets	29,779	-
Auditors remuneration	14,848	8,410
	<u>43,688</u>	<u>42,700</u>
Directors' emoluments	<u>43,688</u>	<u>42,700</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.02	31.10.01
	£	£
Bank interest	43,506	44,249
Loan interest	3,910	5,667
Other similar charges payable	9,686	13,417
Other interest charges	87	-
Honda Interest on Overdue Tax	2,895	-
Hire purchase interest	1,278	375
	<u>61,362</u>	<u>63,708</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2002 nor for the year ended 31 October 2001.

Notes to the Abbreviated Accounts
for the Year Ended 31 October 2002

6. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST:					
At 1 November 2001	664,538	-	296,318	1,800	962,656
Additions	-	17,388	5,409	12,236	35,033
Disposals	(3,000)	-	(41,230)	-	(44,230)
At 31 October 2002	661,538	17,388	260,497	14,036	953,459
DEPRECIATION:					
At 1 November 2001	94,289	-	200,451	1,022	295,762
Charge for year	12,016	348	13,975	3,254	29,593
Eliminated on disposal	-	-	(9,320)	-	(9,320)
At 31 October 2002	106,305	348	205,106	4,276	316,035
NET BOOK VALUE:					
At 31 October 2002	555,233	17,040	55,391	9,760	637,424
At 31 October 2001	570,249	-	95,867	778	666,894

Included in land and buildings is freehold land valued at £60,567 (2001 - £60,567) which is not depreciated.

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

	Plant and machinery £	Motor vehicles £	Totals £
COST:			
At 1 November 2001	21,292	-	21,292
Additions	-	12,236	12,236
At 31 October 2002	21,292	12,236	33,528
DEPRECIATION:			
At 1 November 2001	2,661	-	2,661
Charge for year	2,662	3,059	5,721
At 31 October 2002	5,323	3,059	8,382
NET BOOK VALUE:			
At 31 October 2002	15,969	9,177	25,146
At 31 October 2001	18,631	-	18,631

7. FIXED ASSET INVESTMENTS

	31.10.02 £	31.10.01 £
Shares in group undertakings	158,800	158,800
Other investments not loans	6,791	6,291
	165,591	165,091

7. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

	Shares in group undertakings £
COST:	
At 1 November 2001	
and 31 October 2002	158,800
NET BOOK VALUE:	
At 31 October 2002	158,800
At 31 October 2001	158,800

Investments (neither listed nor unlisted) were as follows:

	31.10.02	31.10.01
	£	£
Investments	6,791	6,291

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

Lomond Service Station Limited

Nature of business: sale of motor fuel

	% holding		
Class of shares:	100.00		
Ordinary £1 Shares		31.10.02	31.10.01
		£	£
Aggregate capital and reserves		615,156	523,675
Profit for the year		91,481	79,945

Alexander Rankine Limited

Nature of business: ceased trading on 31st December 2000

	% holding		
Class of shares:	100.00		
Ordinary £1 Shares		31.10.02	31.10.01
		£	£
Aggregate capital and reserves		(139,727)	(141,208)
Profit/(Loss) for the year		1,481	(24,796)

Alexander Rankine Limited's nature of business was the sale of motor cars until it ceased trading on 31st December 2000.

The cost of shares in group undertakings includes £75,000 in respect of the shares held in Alexander Rankine Limited. The Balance Sheet of Alexander Rankine Limited as at 31st December 2002, discloses net liabilities of £139,727 (2001: £141,208). The heritable property owned by Alexander Rankine Limited is included in the Balance Sheet of that company at historical cost. In the opinion of the Directors the market value of the heritable property exceeds cost such that the net liability position of Alexander Rankine Limited would be negated.

Notes to the Abbreviated Accounts
for the Year Ended 31 October 2002

8. STOCKS		
	31.10.02	31.10.01
	£	£
Stock for Resale	471,447	515,325
9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.10.02	31.10.01
	£	£
Trade debtors	142,068	125,813
Amounts owed by group undertakings	87,593	26,859
Sundry debtors	9,370	2,139
Directors' loan accounts	22,740	6,842
Corporation Tax Debtor	-	5,748
Prepayments and accrued income	35,207	12,679
	296,978	180,080
10. CURRENT ASSET INVESTMENTS		
	31.10.02	31.10.01
	£	£
Listed investments	11,738	11,738
Market value of listed investments at 31 October 2002 - £2,295 (2001 - £3,480).		
11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.10.02	31.10.01
	£	£
Bank loans and overdrafts (see note 13)	1,042,020	912,180
Other loans (see note 13)	50,000	50,000
Hire purchase contracts (see note 14)	11,785	6,279
Trade creditors	178,976	186,961
Amounts owed to group undertakings	127,175	123,192
Social security and other taxes	9,214	8,941
VAT	35,795	12,355
Petrol Deposits	15,635	16,125
Property Deposits	-	380
Sundry creditors	2,271	3,424
Directors' loan accounts	-	325
Accruals and deferred income	68,753	26,295
	1,541,624	1,346,457
12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	31.10.02	31.10.01
	£	£
Hire purchase contracts (see note 14)	5,957	9,942

13. LOANS

An analysis of the maturity of loans is given below:

	31.10.02 £	31.10.01 £
Amounts falling due within one year or on demand:		
Bank overdrafts	1,042,020	912,180
R M Prow (Motors) Ltd - Directors' Pension Scheme Loan	50,000	50,000
	<u>1,092,020</u>	<u>962,180</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.10.02 £	31.10.01 £
Net obligations repayable:		
Within one year	11,785	6,279
Between one and five years	5,957	9,942
	<u>17,742</u>	<u>16,221</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.10.02 £	31.10.01 £
Bank overdrafts	1,042,020	912,180
R M Prow (Motors) Ltd - Directors' Pension Scheme Loan	50,000	50,000
	<u>1,092,020</u>	<u>962,180</u>

The Company's bank loans and overdrafts are secured by Standard Security over its heritable property at 135 East Clyde Street, Helensburgh.

Included in bank loans and overdrafts are borrowings from Honda Finance amounting to £305,108 (2001: £342,419). These borrowings are secured by a bond and floating charge in favour of Honda Finance over vehicle stocks.

Included in other loans is a loan from R. M. Prow (Motors) Limited - Directors' Pension Scheme of £50,000 (2001: £50,000). This loan is unsecured and bears interest at 3% over bank base rate and will be repaid within two years.

There is an Unlimited Inter-Company Guarantee, held by the bank, between the Company, Alexander Rankine Limited and Lomond Service Station Limited dated 18th October, 2000.

16. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	31.10.02 £	31.10.01 £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31.10.02 £	31.10.01 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

17. RESERVES

	Profit and loss account £
At 1 November 2001	83,414
Deficit for the year	<u>(146,992)</u>
At 31 October 2002	<u>(63,578)</u>

18. CONTINGENT LIABILITIES

As stated at note 15 there is an unlimited inter-company guarantee held by the bank. As at 31st October, 2002, the subsidiary company Alexander Rankine Limited was indebted to the bank to the extent of £559,520 (2001: £532,268).

19. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 October 2002:

	£
R M Prow	
Balance outstanding at start of year	6,842
Balance outstanding at end of year	22,457
Maximum balance outstanding during year	<u>22,457</u>
J Niven	
Balance outstanding at start of year	(325)
Balance outstanding at end of year	5,800
Maximum balance outstanding during year	<u>283</u>

20. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.10.02	31.10.01
	£	£
Loss for the financial year	(146,992)	(98,478)
Net reduction of shareholders' funds	(146,992)	(98,478)
Opening shareholders' funds	183,414	281,892
Closing shareholders' funds	36,422	183,414
 Equity interests	 36,422	 183,414