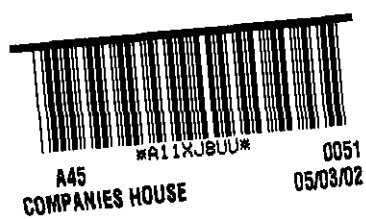


Company Registration No. 1702607 (England and Wales)

WARNERS OF TEWKESBURY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001



WARNERS OF TEWKESBURY LIMITED

COMPANY INFORMATION

Directors	O E Parker M D Warner
Secretary	A H Jenkins
Company number	1702607
Registered office	Gloucester Road Tewkesbury Glos. GL20 5SY
Auditors	Hazlewoods Windsor House Barnett Way Barnwood Gloucester GL4 3RT

WARNERS OF TEWKESBURY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 14

WARNERS OF TEWKESBURY LIMITED

DIRECTORS' REPORT

for the year ended 30 September 2001

The directors present their report and financial statements for the year ended 30 September 2001.

Principal activities and review of the business

The principal activity of the company up to 31 December 2000 was that of garage proprietor. From 1 January 2001 the company acted as a management company, renting property to related parties.

On 1 January 2001 the company transferred its trade, certain assets and liabilities to Warners of Gloucester Limited. The company retained ownership of its freehold property.

The directors consider the company's trading, profit and financial position at the end of the year to be satisfactory.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 October 2000:

O E Parker

M D Warner

J J Warner

(Resigned 10 January 2002)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2001	1 October 2000
O E Parker	5,000	5,000
M D Warner	-	-
J J Warner	-	-

M D Warner and J J Warner have interests in the shares of the company by virtue of their shareholding in Warners Trust Plc, a company which holds 5,000 shares in Warners of Tewkesbury Limited.

Auditors

Hazlewoods have expressed their willingness to continue in office.

WARNERS OF TEWKESBURY LIMITED

DIRECTORS' REPORT (CONTINUED) for the year ended 30 September 2001


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.

By order of the board



A H Jenkins

Secretary

15 February 2002

WARNERS OF TEWKESBURY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WARNERS OF TEWKESBURY LIMITED

We have audited the financial statements of Warners of Tewkesbury Limited for the year ended 30 September 2001 on pages 4 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described on page 2 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 Directors' Report 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 Directors' Report 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 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 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hazel Woods

Chartered Accountants
Registered Auditor


.....

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

WARNERS OF TEWKESBURY LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2001

	Notes	2001 £	2000 as restated £
Turnover	2		
Continuing operations		-	-
Discontinued activities		1,777,500	10,842,465
		<u>1,777,500</u>	<u>10,842,465</u>
Cost of sales		(1,540,825)	(9,907,952)
Gross profit		<u>236,675</u>	<u>934,513</u>
Administrative expenses	3	(385,045)	(890,535)
Other operating income	3	93,213	139,425
		<u></u>	<u></u>
Operating (loss)/profit	4		
Continuing operations	3	48,193	8,056
Discontinued activities	3	(103,350)	175,347
		<u>(55,157)</u>	<u>183,403</u>
Proceeds from sale of discontinued activities	4	150,000	-
		<u>150,000</u>	<u>-</u>
Profit on ordinary activities before interest		<u>94,843</u>	<u>183,403</u>
Interest payable and similar charges	5	(8,928)	(35,935)
Profit on ordinary activities before taxation		<u>85,915</u>	<u>147,468</u>
Tax on profit on ordinary activities	7	(12,808)	(34,496)
Profit on ordinary activities after taxation		<u>73,107</u>	<u>112,972</u>
Dividends	8	(39,225)	(60,000)
Retained profit for the year	17	<u>33,882</u>	<u>52,972</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

The figures for 2000 have been restated to disclose the comparative effect of discontinuation of activities.

WARNERS OF TEWKESBURY LIMITED

BALANCE SHEET as at 30 September 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	9		1,044,597		1,124,143
Current assets					
Stocks	10	-		925,956	
Debtors	11	199,537		465,031	
Cash at bank and in hand		43,946		90	
			<u>243,483</u>	<u>1,391,077</u>	
Creditors: amounts falling due within one year	12	(130,361)		(1,402,876)	
Net current assets/(liabilities)			<u>113,122</u>		<u>(11,799)</u>
Total assets less current liabilities			<u>1,157,719</u>		<u>1,112,344</u>
Creditors: amounts falling due after more than one year	13		(108,984)		(72,891)
Provisions for liabilities and charges	14		-		(24,600)
			<u>1,048,735</u>		<u>1,014,853</u>
Capital and reserves					
Called up share capital	16		10,000		10,000
Profit and loss account	17		1,038,735		1,004,853
Shareholders' funds - equity interests	18		<u>1,048,735</u>		<u>1,014,853</u>

The financial statements were approved by the Board on 15 February 2002

M D Warner
Director



WARNERS OF TEWKESBURY LIMITED

CASH FLOW STATEMENT

for the year ended 30 September 2001

	2001 £	2000 £
Net cash inflow from operating activities	(161,392)	137,565
Returns on investments and servicing of finance		
Interest paid	(8,928)	(35,935)
Net cash outflow for returns on investments and servicing of finance	(8,928)	(35,935)
Taxation	(34,496)	(35,643)
Capital expenditure		
Payments to acquire tangible assets	(900)	(28,746)
Net cash outflow for capital expenditure	(900)	(28,746)
Net overdrafts disposed of to related party	316,130	-
Equity dividends paid	(39,225)	(60,000)
Net cash outflow before management of liquid resources and financing	71,189	(22,759)
Other new long term loans	150,000	-
Repayment of long term bank loan	(95,381)	(76,724)
Net cash outflow from financing	54,619	(76,724)
Decrease in cash in the year	125,808	(99,483)

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE CASH FLOW STATEMENT for the year ended 30 September 2001

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2001	2000
		£	£
	Operating (loss)/profit	(55,157)	183,403
	Depreciation of tangible assets	20,540	51,192
	Decrease/(increase) in stocks	102,599	(13,514)
	Decrease/(increase) in debtors	181,373	(66,814)
	(Decrease)/Increase in creditors within one year	(410,747)	(16,102)
	Movement on grant provision	-	(600)
	Net cash (outflow)/inflow from operating activities	(161,392)	137,565

2	Analysis of net debt	1 October 2000	Cash flow	Other non-cash changes	30 September 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	90	43,856	-	43,946
	Bank overdrafts	(81,952)	81,952	-	-
		<u>(81,862)</u>	<u>125,808</u>	<u>-</u>	<u>43,946</u>
	Debt:				
	Debts falling due within one year	(72,027)	(18,526)	-	(90,553)
	Debts falling due after one year	(72,891)	(36,093)	-	(108,984)
		<u>(144,918)</u>	<u>(54,619)</u>	<u>-</u>	<u>(199,537)</u>
	Net debt	(226,780)	71,189	-	(155,591)

3	Reconciliation of net cash flow to movement in net debt	2001	2000
		£	£
	Decrease in cash in the year	125,808	(99,483)
	Cash outflow/(inflow) from decrease/(increase) in debt	(54,619)	76,724
	Movement in net debt in the year	71,189	(22,759)
	Opening net debt	(226,780)	(204,021)
	Closing net debt	(155,591)	(226,780)

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies all of which are in accordance with applicable Accounting Standards.

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied.

1.3 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Land and buildings Freehold	2% of cost per annum
Land and buildings Leasehold	Over lease term
Fixtures, fittings & equipment	20% to 33.3% of cost per annum
Motor vehicles	25% of cost per annum

1.4 Leasing

The cost of and income from operating leases is respectively charged and credited to the profit and loss account on a straight line basis over the lease term.

1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

Consignment stock held but not owned by the company is recognised as an asset on the balance sheet with a corresponding liability included in creditors due within one year. This treatment has been adopted as the stock is considered to be an asset in substance as defined by FRS 5.

1.6 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 September 2001

3 Cost of sales and net operating expenses

	2001			2000		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	-	1,540,825	1,540,825	-	9,907,952	9,907,952
Administrative expenses	165,112	219,933	385,045	51,944	838,591	890,535
Other operating income	(60,000)	(33,213)	(93,213)	(60,000)	(79,425)	(139,425)
	<u>105,112</u>	<u>1,727,545</u>	<u>1,832,657</u>	<u>(8,056)</u>	<u>10,667,118</u>	<u>10,659,062</u>

4 Operating (loss)/profit

	2001 £	2000 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	20,540	51,192
Operating lease rentals	12,031	45,968
Auditors' remuneration	4,000	7,000
	<u>36,571</u>	<u>104,160</u>

5 Interest payable

	2001 £	2000 £
On bank loans and overdrafts	3,099	25,016
On other loans wholly repayable within 5 years	5,009	7,989
Other interest	820	2,930
	<u>8,928</u>	<u>35,935</u>

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 September 2001

6	Directors and employees	2001 £	2000 £
	Directors' emoluments		
	Emoluments for qualifying services	19,594	75,186
	Company pension contributions to money purchase schemes	150,000	15,000
		<u>169,594</u>	<u>90,186</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2000 - 1).

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Service	9	32
Vehicle and forecourt sales	8	11
Administration	5	9
	<u>22</u>	<u>52</u>

Employment costs

	£	£
Wages and salaries	200,102	836,094
Social security costs	16,986	70,754
Other pension costs	155,454	38,606
	<u>372,542</u>	<u>945,454</u>

7	Taxation	2001 £	2000 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (2000 - 20%)	12,808	34,496
		<u>12,808</u>	<u>34,496</u>

There is no potential liability in respect of deferred taxation.

8	Dividends	2001 £	2000 £
	Ordinary interim paid	39,225	60,000
		<u>39,225</u>	<u>60,000</u>

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 September 2001

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2000	1,132,095	8,565	404,548	9,775	1,554,983
Transferred to related party	-	(8,565)	(405,447)	(9,775)	(423,787)
Additions	-	-	899	-	899
At 30 September 2001	1,132,095	-	-	-	1,132,095
Depreciation					
At 1 October 2000	76,206	8,565	336,294	9,775	430,840
Transferred to related party	-	(8,565)	(345,542)	(9,775)	(363,882)
Charge for the year	11,292	-	9,248	-	20,540
At 30 September 2001	87,498	-	-	-	87,498
Net book value					
At 30 September 2001	1,044,597	-	-	-	1,044,597
At 30 September 2000	1,055,889	-	68,254	-	1,124,143

Fixed assets include £600,500 in respect of land which is not subject to depreciation, all other assets are depreciable.

10 Stocks and work in progress

	2001 £	2000 £
Parts and accessories	-	105,164
Work in progress	-	557
Motor vehicles	-	820,235
	-	925,956

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 September 2001

11 Debtors	2001 £	2000 £
Trade debtors	-	404,926
Amounts owed by related party	199,537	-
Prepayments and accrued income	-	60,105
	<u>199,537</u>	<u>465,031</u>

The amounts owed by related party above relate to Warners of Gloucester Limited, a company ultimately controlled by M D Warner.

12 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans	90,553	153,979
Trade creditors	-	917,119
Amounts owed to related parties	-	20,682
Corporation tax	12,808	34,496
Other taxes and social security costs	3,500	83,920
Directors' current accounts	-	118,725
Other creditors	-	17,005
Accruals and deferred income	23,500	56,950
	<u>130,361</u>	<u>1,402,876</u>

Amounts owing to related parties are loans and trading balances with Warners Trust Plc and its subsidiaries, a company in which M D Warner and J J Warner have beneficial interests.

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 September 2001

13 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans	108,984	72,891
Analysis of loans		
Wholly repayable within five years	199,537	144,918
	199,537	144,918
Included in current liabilities	(90,553)	(72,027)
	108,984	72,891
Loan maturity analysis		
In more than one year but not more than two years	108,984	72,891

Bank loans are secured by fixed and floating charges over all assets of the company.

14 Provisions for liabilities and charges	
Balance at 1 October 2000	24,600
Transferred to related party	(24,600)
Balance at 30 September 2001	-

15 Pension costs

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from the company in an independantly administered fund.

16 Share capital	2001 £	2000 £
Authorised		
50,000 Ordinary shares of £ 1 each	50,000	50,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £ 1 each	10,000	10,000

WARNERS OF TEWKESBURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 September 2001

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2000	1,004,853
Retained profit for the year	33,882
Balance at 30 September 2001	1,038,735

18 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	73,107	112,972
Dividends	(39,225)	(60,000)
Net addition to shareholders' funds	33,882	52,972
Opening shareholders' funds	1,014,853	961,881
Closing shareholders' funds	1,048,735	1,014,853

19 Financial commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within one year	-	-	-	5,722
Between two and five years	-	-	-	7,042
In over five years	40,000	40,000	-	-
	40,000	40,000	-	12,764

20 Control

The company is controlled by Mr O E Parker and Warners Trust Plc. Warners Trust Plc is controlled by Mr M D Warner.

21 Related party transactions

On 1 January 2001 the company sold its trade to Warners of Gloucester Limited, a company ultimately controlled by M D Warner for a consideration of £150,000. The transaction was at market value. Assets and liabilities excluding freehold property were transferred to Warners of Gloucester Limited at book value.