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THIS AGREEMENT is made the 4<sup>th</sup> day of January 2001

**BETWEEN:-**

- (1) ALAN JAMES TWORT and ANNE SUSAN TWORT ("Mr and Mrs Twort") and
- (2) (SAS) SELECT AUTOMOTIVE SERVICES LIMITED whose registered office is at 391 - 395 Erith Road, Northumberland Heath, Erith, Kent (registered in England No. 3459699) ("the Company")

**WHEREAS:-**

- (1) Mr and Mrs Twort have carried on business in partnership under the name of Select Automotive Services ("the Business").
- (2) The Company has an authorised share capital of £250,000 divided into 50,000 Ordinary Shares of £1.00 each, 25,002 of which have been issued fully paid and are held and beneficially owned as shown in the First Schedule and 200,000 RNVP Shares of £1.00 each, of which 25,000 have been issued fully paid and 50,000 have been issued nil-paid subject to an agreement to pay them up, all of which shares are held and beneficially owned as shown in the First Schedule.
- (3) The Company has as one of its objects the acquisition and management of the Business and Mr and Mrs Twort have agreed to transfer the same to the Company as a going concern with effect from the Transfer Date.

**NOW IT IS AGREED** as follows:-

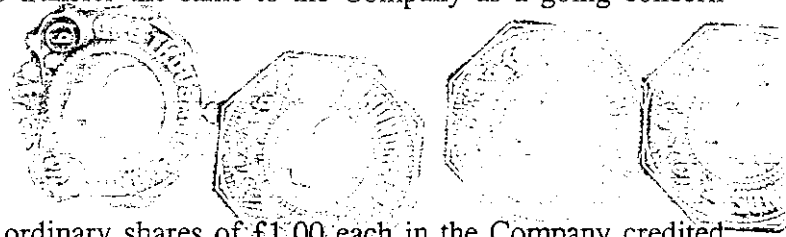
**1 Definitions**

- 1.1 "Consideration Shares" means the ordinary shares of £1.00 each in the Company credited as fully paid up and to be allotted to the Vendors in consideration for the sale of the Business in the proportions shown in the Second Schedule.
- 1.2 "Transfer Date" means the close of business on 31st December 2000.
- 1.3 "RNVP Shares" means the redeemable non-voting preference shares as defined in the Articles of the Company.

**2 Sale and Purchase**

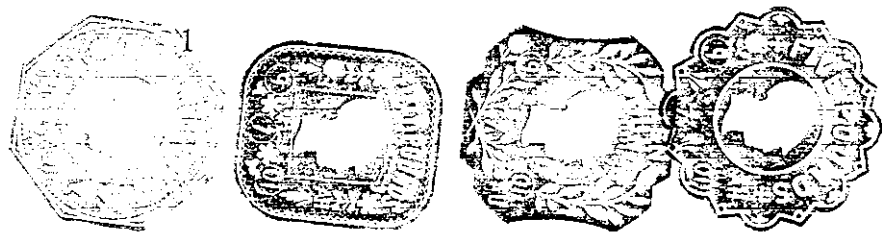
Mr and Mrs Twort agree to sell with full title guarantee and the Company agrees to purchase with effect from the Transfer Date the Business as a going concern comprising the following assets used in the conduct of the Business for an aggregate sum of £150,000:-

- 2.1 the Goodwill of the Business.
- 2.2 the leasehold property known as 391 - 395 Erith Road, Northumberland Heath, Erith DA8 3LX comprised in a lease dated 1<sup>ST</sup> March 1997 made between KT (Dartford) Limited (1)



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and Alan James Twort (2).

- 2.3 the plant, machinery, vehicles and equipment of Mr and Mrs Twort relating to the Business.
- 2.4 the stock and work in progress of Mr and Mrs Twort relating to the Business at the Transfer Date.
- 2.5 any cash balances held by the Business in any Bank Account or in cash, after deducting £25,000.
- 2.6 the benefit of all debtors and all prepayments due to or made by the Business.
- 2.7 the benefit (subject to the burden) of the contracts and engagements of Mr and Mrs Twort in relation to the Business.
- 2.8 without in any way limiting the generality of the foregoing all other assets and rights of whatever nature employed in the Business at the Transfer Date.

### **3 Title**

The Company accepts such title as Mr and Mrs Twort have to the leasehold property to be transferred without investigation and shall not be entitled to make any objections or requisitions in relation to the same.

### **4 Liabilities**

The Company agrees to purchase the Business subject to all debts owing by Mr and Mrs Twort in respect of the same (including for the avoidance of doubt, the personal loan to Mr and Mrs Twort from the Cheltenham & Gloucester obtained in connection with the Business and secured on their property) and all other liabilities of the Business subsisting as at the Transfer Date but excluding any liability of Mr and Mrs Twort in respect of income tax or capital gains tax. The Company agrees to indemnify Mr and Mrs Twort and each of them against all claims, demands, actions or other proceedings in respect of such debts or liabilities.

### **5 Consideration**

The consideration for the sale of the Business (in addition to the Company's assumption of the debts and liabilities referred to in clause 4) shall be the sum of £150,000 which shall be satisfied as to £137,500 thereof by the allotment to the Vendors of the number of Consideration Shares set opposite their respective names in the Second Schedule. The balance remaining of £12,500 shall be payable by the Company by 31st March 2001 by two payments of £4,166 on 31<sup>st</sup> January 2001 and 28<sup>th</sup> February 2001 and £4,168 on 31<sup>st</sup> March 2001.

### **6 Completion**

The sale of the Business shall be completed on 4<sup>th</sup> January 2001 at Talbot House, Gracechurch St, London EC3V 0BS when the Company shall deliver to Mr and Mrs Twort the certificates

for the Consideration Shares and Mr and Mrs Twort shall execute and do all such deeds and things as may be necessary to vest effectively the Business and its assets in the Purchaser.

#### **7 Employees**

The parties acknowledge and agree that pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 1981 as amended the contract of employment between Mr and Mrs Twort and each of the employees of the Business will (save in so far as such contract relates to any occupational pension scheme) have effect from completion as if originally made between the Company and such employee.

#### **8 Value Added Tax**

The parties shall use all reasonable endeavours to secure that pursuant to s.49 Value Added Tax (Special Provisions) Order 1995 and Article 5 thereof that the sale of the Business is treated as neither a supply of goods nor of services for the purposes of VAT.

#### **9 Accounts and Net Asset Warranty**

- 9.1 Mr and Mrs Twort shall arrange as soon as reasonably practical for Accounts of the Business to be prepared as at 31st December 2000 and shall supply them to the Company.
- 9.2 If the net assets of the Business as shown on the Balance Sheet shall be less than £15,000, then the consideration payable shall be reduced by such an amount, the said deficit being deductible as soon as the same is ascertained from any balance on loan of £12,500 referred to in clause 5 hereof or by setting the same off against the cash entitlement of Mr and Mrs Twort on redemption of their RNVP Shares.
- 9.3 The Accounts shall be prepared by McBrides in accordance with the same accounting principles as were adopted in the preparation of the Accounts for the period to 29th February 2000.
- 9.4 No value shall be attributed to goodwill in the Accounts.
- 9.5 If liabilities as at the Transfer Date become known after the preparation of the Accounts but before 31st December 2001, the Accounts shall be redrawn or adjusted to take account of them, provided the aggregate amount exceeds £1,000. If this leads to the Net Assets falling below £15,000, the deficit shall be allowed to the Company in the manner envisaged above.
- 9.6 If the net assets of the Business as shown on the Balance Sheet shall be more than £15,000, then the cash consideration payable shall be increased by such an amount, the said increase being paid within 14 days of the receipt of audited accounts.
- 9.7 In calculating the net assets of the Business for the purpose of this clause 9, £25,000 of undrawn profits/capital of Alan and Anne in the Business, shall be deemed to have been withdrawn prior to the date hereof.

#### **10 Costs**

The legal and accountancy costs for work done on behalf of the Company incidental to this agreement shall be borne by the Company.

11 The Company shall file this agreement duly stamped and Companies Form 88(2) with the Registrar of Companies within one month of the date of allotment of the Consideration Shares.

AS WITNESS the hands of the parties hereto the day and year first above written.

### FIRST SCHEDULE

#### Existing Shareholdings in the Purchaser

Alan James Twort	One
Anne Susan Twort	One
David James Saunderson	25,000 Ordinary Shares
David James Saunderson	25,000 RNVP Shares

### SECOND SCHEDULE

#### Consideration Shares to be allotted to Vendors

	<i>Ordinary Shares</i>	<i>Redeemable Non-Voting Preference Shares</i>
Alan James Twort	12,499	56,250
Anne Susan Twort	12,499	56,250

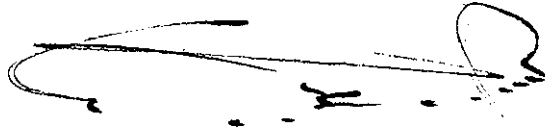
EXECUTED as a DEED by  
ALAN JAMES TWORT  
in the presence of:-

*F. B. WARRIN*  
POTHECARY & BARRATT  
TALBOT HOUSE, TALBOT COURT  
GRACECHURCH STREET  
LONDON EC3V 0BS *Solitors*

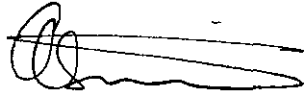
EXECUTED as a DEED by  
ANNE SUSAN TWORT  
in the presence of:-

*F. B. WARRIN*  
POTHECARY & BARRATT *Solitors*  
TALBOT HOUSE, TALBOT COURT  
GRACECHURCH STREET  
LONDON EC3V 0BS

EXECUTED as a DEED by  
**(SAS) SELECT AUTOMOTIVE SERVICES LIMITED**  
acting by two Directors or a Director  
and its Secretary:-

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

DIRECTOR

A handwritten signature in black ink, starting with a circular flourish followed by a long horizontal stroke.

SECRETARY