Company Registration No. 653665

IMPERIAL COMMERCIALS LIMITED

Report and Financial Statements

for the period ended

30 June 2008

IMPERIAL COMMERCIALS LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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IMPERIAL COMMERCIALS LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Michaux
O Arbee
I T Oakes
A B Welch
A G Haspell
W Minty
M F McWilliam

SECRETARY

Andrew Welch

REGISTERED OFFICE

St Johns Court
Easton Street
High Wycombe
Bucks
HP11 1JX

BANKERS

Barclays Bank
15 Queens Square
Bristol
BS1 4UP

AUDITORS

Deloitte & Touche LLP
Reading

DIRECTORS' REPORT (CONTINUED)

The directors present their annual report and the audited financial statements for the period ended30 June 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company throughout the period was the distribution and repair of commercial vehicles.

CHANGE OF ACCOUNTING REFERENCE DATE

During the period the company extended its accounting reference date to 30 June. Accordingly these financial statements cover the period from 26 June 2007 to 30 June 2008.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The results for the period are set out in the income statement shown on page9.

Turnover for the period of £181m was up on a pro rata basis by 3% compared to 2007.

Gross margin has decreased in the period from 19.4% to 19.1% primarily due to a change in the sales mix.
On a pro rata basis the distribution costs and administration expenses have reduced by £1.7m.

Finance costs have increased over the two periods by £0.3 million primarily as a result of increased manufacturer stocking costs.

Current market conditions are becoming increasingly difficult Trading in the first quarter of 2008/09 was in line with expectations but the general economic downturn in the UK is expected to impact on performance for the rest of the year.

The business is focusing on cost control and tight management of working capital andanticipates being able to report a reasonable result for the forthcoming financial year, subject to no further significant downturn in our markets.

KEY PERFORMANCE INDICATORS AND MANAGEMENT OF RISK

Key performance indicators

Management will continue to focus on long established key performance indicators within the business namely turnover, gross margin, distribution costs and administration expenses as noted in the review of the business shown above.

Strategic risks

We are reliant on our vehicle manufacturers' partners to provide products of sufficient quality to maintain their market share. The business' views are represented by participation in dealer council meetings. The business continually monitors the availability of alternative franchises which could balance the existing portfolio.

The business is exposed to changes in legislation that impact the markets in which it operates. The company monitors such changes and lobbies as appropriate.

Financial risks

The company's activities do not expose it to significant financial market risks, for example exposure to changes in foreign currency exchange rates, and the company does not enter into any forward exchange contracts, currency swaps or interest caps. There has been no change to either the risks or the management of those risks in the period.

The company has no significant concentration of credit risks due to exposure being spread over a large number of customers.

DIVIDEND

No interim dividends were declared or paid during the year (2007: £4,700,000) and the directors do not recommend the payment of a final dividend (2007: £nil).

IMPERIAL COMMERCIALS LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The directors who held office during the period and to the date of this report were as follows:

P Michaux
O Arbee (appointed 7th August 2007)
IT Oakes
AB Welch
PA James (resigned 30th September 2008)
W Minty
AG Haspell
M F McWilliam (appointed 7th August 2007)
H Brody (resigned 8th August 2007)

EMPLOYEE INVOLVEMENT

The company believes that to achieve excellent customer service its employees should be well informed about company plans and performance and have the opportunity to discuss their performance regularly with their manager. Therefore, the company is committed to providing all its employees with information on a regular basis and to encouraging their participation in schemes where they will benefit from the company's progress and profitability.

The Champions of Quality programme recognises individuals or teams who have made a significant personal contribution to the quality of service provided to customers, or who have made a major change in operating methods which improves service levels. In addition, it is intended that all employees discuss their individual performance with their manager at least on an annual basis, with the objective of identifying how their performance can be improved.

Employees receive information about the company at their home and at their workplace in several different forms. The company produces a regular employee newsletter and many of the divisions produce their own in-house newspapers.

CHARITABLE DONATIONS

The company made charitable donations of £3,477 (2007: £nil) during the year.

DIRECTORS' REPORT (CONTINUED)

EMPLOYMENT OF DISABLED PERSONS

It is the company's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities should be based on a realistic assessment of their aptitudes and abilities.

Wherever possible the company will continue the employment of persons who become disabled during the course of their employment with the company through re-training, acquisition of special aids and equipment or the provision of suitable alternative employment.

PAYMENTS TO SUPPLIERS

The company is responsible for agreeing the terms and conditions under which business transactions with suppliers are conducted. It is company policy that payments to suppliers are made in accordance with these terms, providing that the supplier is also complying with all the relevant terms and conditions. The company does not have a standard code of practice applicable to any class of suppliers. The number of days billing outstanding at the end of the financial period is 60 days (2007: 57).

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Andrew Welch

AB Welch

Director

27th October 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other juisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL COMMERCIALS LTD

We have audited the financial statements of Imperial Commercials Ltd for the 53 weeks ended 30 June 2008 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company'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 company'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 company and the company'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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL COMMERCIALS LTD (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading, United Kingdom
28 October 2008

INCOME STATEMENT
For the period from 26 June 2007 to 30 June 2008

	Note	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
CONTINUING OPERATIONS			
REVENUE	4	181,322	257,145
Cost of sales		(146,665)	(207,281)
GROSS PROFIT		34,657	49,864
Distribution costs		(19,681)	(30,550)
Administration expenses		(11,177)	(17,094)
OPERATING PROFIT		3,799	2,220
Dividends received		-	7
Finance income – Bank interest received		52	-
Finance costs	5	(1,428)	(1,106)
PROFIT BEFORE TAXATION	6	2,423	1,121
Taxation	9	(1,072)	(437)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS		1,351	684

There have been no recognised gains and losses in either the current or preceding financial periods other than those shown in the profit and loss account above.

IMPERIAL COMMERCIALS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the period from 26 June 2007 to 30 June 2008

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2006	560	554	3,738	4,852
Profit for the period	-	-	684	684
Dividends paid	-	-	(4,700)	(4,700)
At 25 June 2007	560	554	(278)	836
Profit for the period	-	-	1,351	1,351
At 30 June 2008	560	554	1,073	2,187

IMPERIAL COMMERCIALS LIMITED

BALANCE SHEET

As at 30 June 2008

	Note	30 June 2008 £'000	25 June 2007 £'000
NON-CURRENT ASSETS			
Goodwill	11	846	802
Property, plant and equipment	12	17,582	16,425
Investment in subsidiaries	13	-	-
Deferred tax asset	14	1,493	1,293
		19,921	18,520
CURRENT ASSETS			
Stocks	15	28,039	18,345
Trade and other receivables	16	14,533	16,917
Cash and cash equivalents	17	13	12
		42,585	35,274
CURRENT LIABILITIES			
Trade and other payables	18	(33,117)	(25,394)
Current tax liabilities	19	(1,272)	(1,055)
Obligations under finance leases	20	(122)	(122)
Bank overdraft	23	(11,294)	(11,729)
Provisions	21	(106)	(203)
		(45,911)	(38,503)
NET CURRENT LIABILITIES		(3,326)	(3,229)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,595	15,291
NON-CURRENT LIABILITIES			
Provisions	21	(1,607)	(1,652)
Loans due to related parties	22	(11,096)	(11,096)
Obligations under finance leases	20	(1,705)	(1,707)
		(14,408)	(14,455)
NET ASSETS		2,187	836
EQUITY			
Share capital	24	560	560
Share premium		554	554
Retained earnings		1,073	(278)
SHAREHOLDERS' FUNDS		2,187	836

These financial statements were approved by the Board of Directors on 27 October 2008.

Signed on behalf of the Board of Directors

Andrew Welch

A B Welch

Director

J.T. Oakes

IT Oakes

Director

CASH FLOW STATEMENT
For the period from 26 June 2007 to 30 June 2008

	Note	30 June 2008 £'000	25 June 2007 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	25	5,507	3,015
Interest paid		(1,327)	(783)
Net UK corporation tax paid		(1,055)	(1,004)
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,125	1,228
INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		41	149
Purchase of property, plant and equipment		(2,562)	(14,426)
Business acquisitions	26	(95)	(1,085)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,616)	(15,362)
FINANCING ACTIVITIES			
Inter company loan repayments		-	(22,854)
New inter company loans raised		-	11,096
Repayment of finance lease obligations		(125)	(189)
Equity dividends paid		-	(4,700)
Bank interest received		52	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(73)	(16,647)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		436	(30,781)
Cash and cash equivalents at the beginning of the period		(11,717)	19,064
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	27	(11,281)	(11,717)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

1. GENERAL INFORMATION

Imperial Commercials Ltd is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' Report on page 2.

Basis of preparation

These financial statements have been prepared under the historical cost basis of accounting and in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union and with the Companies Act 1985.

Functional and presentational currency

The financial statements are presented in pounds sterling because that is the functional currency of the economic environment in which the company operates.

Reporting period

These financial statements cover the period from 26 June 2007 to 30 June 2008. A period of account in excess of 12 months has been chosen in order to ensure that the balance sheet date falls in line with that of the ultimate parent undertaking.

The comparative figures for the income statement, cash flow statement, movements in reserves and related notes are for the 77 week period ended 25 June 2007 and are not therefore directly comparable with the current period's results.

Future adoption of International Financial Reporting Standards

At the date of authorisation of these financial statements the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

Improvements to IFRSs 2008. Effective for periods commencing on or after 1 January 2009.

IFRS 1 (Amendment) Cost of investment in subsidiary, jointly controlled entity or associate Effective for periods commencing on or after 1 January 2009.

IFRS 2 (Amendment) Share-based Payment Vesting Conditions and Cancellations. Effective for periods commencing on or after 1 January 2009.

IFRS 3 (Revised) Business Combinations. Effective for periods commencing on or after 1 July 2009.

IFRS 8 Operating Segments. Effective for periods commencing on or after 1 January 2009.

IAS 23 (Revised) Borrowing Costs. Effective for periods commencing on or after 1 January 2009.

IAS 1 (Revised) Presentation of Financial Statements. Effective for periods commencing on or after 1 January 2009.

IAS 27 (Amendment) Consolidated and Separate Financial Statements. Effective for periods commencing on or after 1 July 2009.

IAS 32 (Amendment) Financial Instruments: Presentation and IAS 1 (Amendment) Presentation of Financial Statements Puttable Financial Instruments and Obligations Arising on Liquidation. Effective for periods commencing on or after 1 January 2009.

IAS 39 (Amendment) Financial Instruments: Recognition and Measurement: Eligible Hedged Items. Effective for periods commencing on or after 1 July 2009.

Future adoption of International Financial Reporting Standards (continued)

IFRIC 12 Service Concession Arrangements. Effective for periods commencing on or after 1 January 2008.

IFRIC 13 Customer Loyalty Programmes. Effective for periods commencing on or afterl July 2008.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Effective for periods commencing on or after 1 January 2008.

IFRIC 15 Agreements for the construction of real estate. Effective for periods commencing on or after 1 January 2009.

IFRIC 16 Hedges of a net investment in a foreign operation. Effective for periods commencing on or after 1 October 2008.

Whilst work has not yet been completed on the above standards, the directors donot foresee any material impact on the company's financial statements as a result of adopting these standards.

2. SIGNIFICANT ACCOUNTING POLICIES

Individual company accounts

The company has taken advantage of the exemption contained within paragraph 10of IAS 27 - Consolidated and Separate Financial Statements - not to prepare consolidated accounts on the basis that:

- The company's sole shareholder, Imperial Mobility Holdings (UK)Ltd, has been informed of, and does not object to, consolidated accounts not being prepared.
- The company's shares are not traded on a recognised stock exchange.
- The ultimate parent company produces consolidated financial statements that are available to the public, in accordance with International Financial Reporting Standards.

Accordingly these financial statements present information on the individual company and not on the group as a whole. Investments in subsidiaries are stated at cost less dividends received paid out of pre-acquisition reserves and impairment provisions.

Business combinations and goodwill

The acquisition of businesses, whether by asset or share purchases, are accounted for using the acquisition method. The assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3are recognised at their fair value at their acquisition date except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 which are recognised and measured at fair value less costs to sell. Any excess of the cost over the asset valuation as calculated above is recognised as goodwill.

Goodwill is recognised as an asset and is not amortised. It is reviewed for impairment annually as detailed in "impairment of non-financial assets" below.

In accordance with the options that were available under IFRS 1, the Group elected not to apply IFRS 3 retrospectively to past business combinations that occurred before the date of transition to IFRS. Goodwill amounting to £2,248,000 that had previously been offsetagainst reserves under UK GAAP was not recognised at the date of transition to IFRS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at purchase cost including directly attributable costs. The company does not have a revaluation policy. Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided on a straight line basis using rates calculated to write down the cost of each asset to its estimated residual value over its estimated useful life as follows:

Property:	
Freehold buildings and long leasehold property	2%
Plant and equipment:	
Motor vehicles	25%
Plant and machinery	20%
Fixtures, fittings, tools and equipment	10%
Computer hardware	20% to 33%
Computer software	12.5% to 33%

Annual reviews are made of estimated useful lives and material residual values.

Leased assets

Lessor accounting

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initital direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Lessee accounting

Property leases are split into two elements, land and buildings and each considered in isolation. The land element is always classified as an operating lease and the building element is reviewed to determine if it is operating or finance in nature.

Initial rental payments in respect of operating leases are included in current and non-current assets as appropriate and amortised to the income statement over the period of the lease. Ongoing rental payments are charged as an expense in the income statement on a straight line basis until the date of the next rent review. Finance leases are capitalised and depreciated in accordance with the accounting policy for property.The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Immaterial peppercorn rentals and ground rents in respect of all properties are expensed to the profit and loss account on an accruals basis.

Rental costs arising from plant and machinery operating leases are charged as an expense in theincome statement on a straight line basis over the period of the lease.

The company does not have any items of plant and equipment financed by finance leases or similar hire purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Goodwill is tested annually for impairment or more frequently if there are any changes in circumstances or events that indicate that a potential impairment may exist. Goodwill impairments cannot be reversed.

Property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate that the carrying amount may not be recovered. If there are indications then a test is performed on the asset affected to assess its recoverable amount against carrying value.

An asset impaired is written down to the higher of value in use or its fair value less costs to sell.

Current and deferred taxation

The current tax charge is based on the taxable profit or loss for the period and takes into account both permanent disallowable items and taxation deferred because of differences between the treatment of certain items for taxation and for accounting purposes.

Deferred tax arises due to differences between the accounts carrying value and the correspondng tax bases used in the computation of taxable profit. Full provision, calculated using the balance sheet liability method, is made for the tax effects of these differences except that deferred tax is not recognised if the temporary timing difference aries from the initial recognition of goodwill.

Deferred tax is provided using tax rates that have been enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets is reviewed at each balance sheet date to ensure that it is probable that sufficient taxable profits will be available to allow the asset to be recovered.

Assets and liabilities, in respect of both deferred and current tax, are only offset when here is a legally enforceable right to offset and the assets and liabilities relate to taxes levied by the same taxation authority.

Deferred and current tax are charged or credited in the income statement except when they relate to items charged directly to equity in which case the associated tax is also dealt with in equity.

Stocks

Stocks are valued at the lower of cost of purchase and net realisable value. Cost comprises actual purchase price. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the companybecomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Allowances for irrecoverable amounts, which are dealt with in the income statement, are calculated based on the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at theeffective interest rate computed at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash-in-hand, cash-at-bank and short term highly liquid investments that are readily convertible into known amounts of cash within three months from the date of initial acquisition with an insignificant risk of a change in value.

Trade and other payables

Trade and other payables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Provisions

Provisions are created where the company has a present obligation (legal or constructive) as a result of a past event where it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are only discounted to present value where the effect is material.

Retirement benefit costs

Defined contribution schemes

Employer's contributions are charged to the income statement on an accruals basis.

Net debt

Net debt is defined as cash and cash equivalents, bank and other intercompany loans and derivative financial instruments stated at current fair value.

Revenue recognition

Revenue

Revenue represents the fair value of the consideration received and receivable for the distribution and repair of commercial vehicles, after deducting trade discounts, during the financial period. Revenue excludes Value Added Tax.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

Revenue recognition (continued)

An element of revenue is deferred to the extent that it relates to future maintenance contracts and is recognised in accordance with the expected profile of anticipated future costs. Maintenance costs are written off when incurred, or provided for when future costs are forecast to exceed future revenue.

Interest income

Interest income from bank deposit accounts is accrued on a time basis calculated by reference to the principal on deposit and the effective interest rate applicable.

Operating profit

Operating profit is defined as the profit for the period from continuing operations after all operating costs and income but before investment income, finance income, finance costs and taxation.

Finance costs

Finance costs are recognised in the income statement on an accrualsbasis in the period in which they are incurred.

3. USE OF CRITICAL ACCOUNTING ASSUMPTIONS AND ESTIMATES

Estimates and judgements are continually evaluated and assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable given the circumstances prevailing when the accounts are approved.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However the directors consider that there is not a significant risk of a material adjustment arising to the carrying value of the company's assets and liabilities as a result of the use of these estimates and assumptions.

4. REVENUE

The revenue arises from the two classes of business within the UK. Sale of goods includes parts and vehicle sales. Sale of services represents the sale of labour.

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Sale of goods	148,939	209,661
Sale of services	32,383	47,484
Bank interest	52	-
	181,322	257,145

5. FINANCE COSTS

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Interest charge on bank loans and overdrafts	651	552
Finance lease interest charge	123	185
Interest charge on manufacturer floorplan	546	369
Inter company interest charges	108	-
	1,428	1,106

6. PROFIT BEFORE TAX FOR THE PERIOD

Profit for the period has been arrived at after (crediting)/charging:

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Rent receivable	(111)	(162)
Compensation received for the loss of an aftersale business	-	(169)
Depot termination costs	(141)	-
Bank charges	53	65
Depreciation of property, plant and equipment– Owned	1,305	1,959
Depreciation of property, plant and equipment– Assets held under finance leases	36	67
Impairment charges in respect of goodwill	-	90
Loss on the sale of property, plant and equipment	71	72
Operating lease rental payments:		
Property	445	689
Plant and machinery	627	932
Auditors' remuneration (see note 7)	78	157
Staff costs (see note 8)	26,136	40,657

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

7. AUDITORS' REMUNERATION

A more detailed analysis of auditors' remuneration is as follows:

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Fees payable to the company's auditors in respect of audit services:		
The audit of the financial statements	68	142
Total audit fees	68	142
Fees payable to the company's auditors in respect of non audit services:		
Taxation services	10	15
	78	15
	78	157

8. EMPLOYEE INFORMATION

	53 weeks ended 30 June 2008 No.	77 weeks ended 25 June 2007 No.
The average number of employees employed during the period was:		
Sales	70	72
Service and bodyshop	583	596
Parts	181	205
Administration	106	119
	940	992

Staff costs charged in the income statement	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Staff costs, including directors' remuneration amounted to:		
Wages and salaries	23,148	35,467
Social security costs	2,301	3,055
Other pension costs – defined contribution and similar schemes	687	2,135
	26,136	40,657

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

8. EMPLOYEE INFORMATION (CONTINUED)

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Key management compensation		
Amounts paid to directors, having authority and responsibility for planning, directing and controlling the company's activities were as follows:		
Short term employee benefits	575	833
Post employment benefits	36	64
	611	897

Directors' emoluments	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Total directors' emoluments were as follows:		
Emoluments	575	833
Company contributions to a money purchase pension scheme	36	32
Company contributions to former group defined benefit schemes	-	32
	611	897

No directors were either granted or exercised share options during the period.

The number of directors in office at the period end to whom retirement benefits are accruing in the defined contribution scheme are as follows:

	53 weeks ended 30 June 2008 No.	77 weeks ended 25 June 2007 No.
Defined contribution scheme	5	5

Details in respect of the highest paid director are as follows:	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Emoluments	165	338
Company contributions to a money purchase pension scheme	11	10
Company contributions to former group defined benefit pension schemes	-	11
	176	359

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

9. TAXATION

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Current tax		
UK Corporation tax and group relief at 29.5% (period ended 25 June 2007: 30%) based on the taxable profit for the period	1,279	1,055
Adjustments in respect of prior periods	(7)	-
	1,272	1,055
Deferred tax		
Deferred tax on the origination and reversal of temporary differences	(308)	(622)
Adjustments to deferred tax in respect of prior periods	108	4
Total deferred tax credit (note 14)	(200)	(618)
Total tax charge for the financial period attributable to continuing operations	1,072	437

The UK corporation tax rate applicable to the company has changed from 30% to 28% from 1 April 2008 resulting in an average standard rate of 29.5% for the year ending 30 June 2008. The deferred tax asset at 30 June 2008 has been calculated at 28% in accordance with IAS 12 (25 June 2007: 30%).

The tax charge for the financial period can be reconciled to the profit before tax per the income statement multiplied by the standard applicable corporation tax rate in the UK of 29.5% as follows:

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Profit before taxation from continuing operations	2,423	1,121
Tax at the UK effective corporation tax rate of 29.5% (period ended 25 June 2007: 30%)	715	336
Effects of:		
Expenses not deductible for tax purposes	62	97
Ineligible depreciation	87	-
Effect of change in tax rate from 30% to 28%	107	-
Adjustments to tax charge in respect of previous periods	101	4
	1,072	437

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

10. DIVIDENDS

Amounts recognised as distributions to shareholders during the period were as follows:

	53 weeks ended 30 June 2008		77 weeks ended 25 June 2007	
	£ per share	**£'000**	**£ per share**	**£'000**
Interim dividend declared and paid during the current period	-	-	8.383	4,700
Proposed final dividend	-	-	-	-

11. GOODWILL

	£'000
Cost	
As at 1 January 2006	675
Recognised on the acquisition of a business	275
As at 25 June 2007	950
Recognised on the acquisition of businesses (note 26)	44
As at 30 June 2008	994
Accumulated impairment charges	
As at 1 January 2006	58
Impairment charges	90
As at 25 June 2007	148
Impairment charges	-
As at 30 June 2008	148
Carrying value	
As at 30 June 2008	846
As at 25 June 2007	802

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

11. GOODWILL (CONTINUED)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU) that are expected to benefit from that goodwill. Before recognition of impairment losses, the cost of goodwill had been allocated as follows:

	30 June 2008 £'000	25 June 2007 £'000
Meo Commercials	100	100
Truck Services Grimsby	575	575
Hawarden Commercials	292	275
Joseph Rice Truck Services Gloucester	27	-
	994	950

Goodwill impairment tests are performed annually or more frequently if there are indications that the goodwill may be impaired. The goodwill in respect of Meo Commercials has been fully impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The CGUs do not include any other intangible assets. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market estimates of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

The company prepares cash flow forecasts derived from the approved financial budgets for the year and extrapolates cash flows for the next 5 years based on an estimated growth rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 26 June 2007 to 30 June 2008

12. PROPERTY, PLANT AND EQUIPMENT

	Property £'000	Motor vehicles £'000	Plant and machinery £'000	Fixtures fittings, tools and equipment £'000	Computer equipment £'000	Total £'000
Cost						
As at 1 January 2006	2,071	1,702	3,044	1,481	2,164	10,462
External additions	13,109	403	382	290	213	14,397
Business acquisitions	185	7	51	2	-	245
Inter company additions	565	-	-	-	-	565
Inter company disposals	-	(64)	(5)	(66)	(338)	(473)
Disposals	-	(445)	(110)	(66)	(90)	(711)
As at 25 June 2007	15,930	1,603	3,362	1,641	1,949	24,485
External additions	813	381	579	318	471	2,562
Business acquisitions (note 26)	-	4	44	-	-	48
Disposals	(123)	(284)	(381)	(185)	(42)	(1,015)
As at 30 June 2008	16,620	1,704	3,604	1,774	2,378	26,080
Accumulated depreciation						
As at 1 January 2006	1,465	1,126	2,143	643	1,620	6,997
Depreciation charge for the period	486	423	522	260	335	2,026
Disposals	-	(405)	(110)	(59)	(42)	(616)
Inter company additions	-	(48)	(1)	(34)	(264)	(347)
As at 25 June 2007	1,951	1,096	2,554	810	1,649	8,060
Depreciation charge	363	284	357	165	172	1,341
Disposals	(123)	(218)	(354)	(168)	(40)	(903)
As at 30 June 2008	2,191	1,162	2,557	807	1,781	8,498
Carrying value						
As at 30 June 2008	14,429	542	1,047	967	597	17,582
As at 25 June 2007	13,979	507	808	831	300	16,425

At 30 June 2008 the company had entered into contractual commitments for the acquisition of property, plant and equipment of £205,000 (25 June 2007: £390,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying value of the company's property is as follows:

	30 June 2008 £'000	25 June 2007 £'000
Freehold land and buildings	9,851	9,262
Long Leasehold buildings	423	459
Short leasehold improvements	4,155	4,258
	14,429	13,979

This includes £423,000 (2007: £459,000) in respect of assets held under finance leases.

13. INVESTMENTS IN SUBSIDIARIES

The company owns 100% of the issued share capital of Manor Park Engineering Ltd, a company incorporated in England and Wales. On 25 June 2007 Manor Park Engineering Ltd transferred its freehold property to this company and ceased to trade. The investment is carried at its net cost of £2 after deducting pre-acquisition dividends received.

14. DEFERRED TAX ASSET

The deferred tax assets recognised by the company and the movements thereon during the current and prior reporting periods are as follows:

	Depreciation in excess of capital allowances £'000	Provisions and other short term timing differences £'000	Total £'000
Asset at 1 January 2006 at 30%	576	99	675
Credited to income statement (note 9)	223	395	618
Asset at 25 June 2007 at 30%	799	494	1,293
Credited to income statement (note 9)	85	115	200
As at 30 June 2008 at 28%	884	609	1,493

The company did not have any unused capital or trading losses at the end of either period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

15. STOCKS

	30 June 2008 £'000	25 June 2007 £'000
Raw materials and consumables	91	423
Work in progress	529	181
Goods held for resale	27,419	17,741
	28,039	18,345

The cost of stocks recognised as an expense in the period was £139,406,000 (77 weeks ended 25 June 2007: £173,276,000) and the net charge in the income statement for net realisable value provisions was £320,000 (77 weeks ended 25 June 2007: £817,000).

16. TRADE AND OTHER RECEIVABLES

	30 June 2008 £'000	25 June 2007 £'000
Trade debtors:		
Current	10,338	12,609
Overdue	3,289	3,399
	13,627	16,008
Less provision for doubtful debts	(575)	(381)
	13,052	15,627
Prepayments and accrued income	1,187	1,171
Amount due from related parties	89	-
Other debtors	205	119
	14,533	16,917

No collateral is held in respect of overdue or impaired trade debtors.

Current unimpaired trade debtors represent amounts due from customers that are not overdue in accordance with the specific credit terms agreed with those customers. The average outstanding debtor days for current unimpaired trade debtors at 30 June 2008 is 53 days (25 June 2007: 55 days). The company has no significant concentration of credit risks due to exposure being spread over a large number of customers.

The age profile of trade debtors that are past due but not impaired is as follows:

	30 June 2008 £'000	25 June 2007 £'000
Less than 4 months overdue	2,714	2,806
More than 4 months but less than 12 months overdue	-	212
	2,714	3,018

No interest is charged on overdue debts unless court action is taken. All trade debtors are expected to be recovered within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

The allowance for doubtful debts is based on past default experience. The movement in the provision during the period is as follows:

	30 June 2008 £'000	25 June 2007 £'000
Balance at the beginning of the period	381	288
Net amounts utilised during the period	(43)	(106)
Income statement charge	237	199
	575	381

The directors consider that no impairment provisions are required against other debtors.

The amounts of trade and other debtors held in currencies other than sterling as at 30 June 2008 and 25 June 2007 are not significant.

Other than cash, all of the company's financial assets are classified as loans andreceivables.

17. CASH AND CASH EQUIVALENTS

	30 June 2008 £'000	25 June 2007 £'000
Cash at bank and in hand	13	12

Cash at bank comprises cash held by the company in interest free bank current accounts.

The amount of cash held in currencies other than Sterling as at 30 June 2008 and 25 June 2007 was not significant.

18. TRADE AND OTHER PAYABLES

	30 June 2008 £'000	25 June 2007 £'000
Trade creditors	28,218	19,079
Amounts owed to related parties	-	36
Employment related tax, VAT and social security	2,058	2,384
Accruals and deferred income	2,405	3,382
Other creditors	436	513
	33,117	25,394

Trade creditors, accruals and other creditors mainly comprise amounts outstanding from trade purchases and other normal business related costs. The average credit period taken for trade purchases is 60 days (25 June 2007: 57 days).

The amount of cash held in currencies other than sterling as at 30 June 2008 and 25 June 2007 was not significant.

All of the company's financial liabilities are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

19. CURRENT TAX LIABILITIES

	30 June 2008 £'000	25 June 2007 £'000
Corporation tax	1,272	1,055

20. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	30 June 2008 £'000	25 June 2007 £'000	30 June 2008 £'000	25 June 2007 £'000
Amounts payable under finance leases:				
Within one year	125	125	122	122
In the second to fifth years inclusive	502	502	415	415
After five years	6,942	7,067	1,290	1,292
	7,569	7,694	1,827	1,829
Less future finance charges	(5,742)	(5,865)		
Present value of lease obligations	1,827	1,829		
Disclosed:				
Within current liabilities (payable within one year)			122	122
Within non current liabilities			1,705	1,707
Total			1,827	1,829

As set out in the accounting policies, it is the company's policy to lease certain properties. The average lease term is 60 years (25 June 2007: 61 years). The present value of the minimum lease payments has been calculated based on the company's weighted average cost of capital as the interest rates implicit in the leases are not known.

All lease obligations are denominated in Sterling and the fair value of the company's lease obligations is approximately equal to their carrying value.

The company's obligations under finance leases are secured over the leasehold assets being leased, the aggregate carrying value of which is set out in note 12.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 26 June 2007 to 30 June 2008

21. PROVISIONS

	Warranty provisions £'000	Repair and maintenance provisions £'000	Dilapidation provision £'000	Total £'000
At 25 June 2007	1,400	245	210	1,855
Income statement release	(553)	(47)	(91)	(691)
Income statement charge	553	-	-	553
Expenditure incurred	-	-	(4)	(4)
At 30 June 2008	1,400	198	115	1,713

Disclosed:

	30 June 2008 £'000	25 June 2007 £'000
Within current liabilities (payable within one year)	106	203
Within non current liabilities	1,607	1,652
Total	1,713	1,855

The warranty provision represents management's best estimates of the liability to customers in respect of warranty costs arising in the event of the failure of a supplier to meet its warranty commitments.

The repairs and maintenance provision reflects onerous contractual obligations under such contracts.

The dilapidations provision represents the anticipated costs of reinstating leasehold premises at the end of the lease agreement.

22. LOANS DUE TO RELATED PARTIES

	30 June 2008 £'000	25 June 2007 £'000
Amounts due to related parties represents inter company borrowings which are repayable as follows:		
Parent company loans due in more than one but less than five years (IH Mobility Holdings (UK) Ltd)	11,096	11,096
Total	11,096	11,096

The above inter company loans are interest free and unsecured. There are no secured bank loans at either period end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

23. LIQUIDITY, MARKET AND INTEREST RATE RISKS

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities. The table has been prepared based on the undiscounted contractual maturities of the financial instruments. The future finance charges represent the finance charges that will be charged to the income statement in future periods and have not been included within the carrying amount of the financial liability:

30 June 2008	Weighted average interest rate	Due on demand £'000	Due in one year £'000	Due over 1 and less than 5 years £'000	Due after five years £'000	Future finance charges £'000	Total £'000
Non interest bearing loan	0.00%	-	-	11,096	-	-	11,096
Interest bearing Bank overdraft	6.25%	11,294	-	-	-	-	11,294
Finance lease liabilities	6.73%	-	125	502	6,942	(5,742)	1,827
		11,294	125	11,598	6,942	(5,742)	24,217

25 June 2007	Weighted average interest rate	Due on demand £'000	Due in one year £'000	Due over 1 and less than 5 years £'000	Due after five years £'000	Future finance charges £'000	Total £'000
Non interest bearing loan	0.00%	-	-	11,096	-	-	11,096
Interest bearing bank overdraft	5.80%	11,729	-	-	-	-	11,729
Finance lease liabilities	6.73%	-	125	502	7,067	(5,865)	1,829
		11,729	125	11,598	7,067	(5,865)	24,654

The company's activities do not expose it to any significant financial market risks, for example exposure to changes in foreign currency exchange rates, and the company does not enter into any forward exchange contracts, currency swaps or interest caps. There has been no change to either the risks or the management of those risks in the period.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole year. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Company's profit for the period ended 30 June 2008 would decrease/increase by £52,000 (2007: decrease/increase by £48,000). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

24. SHARE CAPITAL

	30 June 2008 £'000	25 June 2007 £'000
Authorised		
560,000 ordinary shares of £1 each	560	560
Called up, allotted and fully paid		
560,000 ordinary shares of £1 each	560	560

The company has one class of ordinary shares which carry no right tofixed income.

25. CASH GENERATED FROM OPERATIONS

	53 weeks ended 30 June 2008 £'000	77 weeks ended 25 June 2007 £'000
Profit for the period attributable to shareholders	1,351	684
Adjustments for:		
Taxation charge	1,072	437
Finance costs	1,428	1,106
Finance income	(52)	-
Loss on the sale of property, plant and equipment	71	72
Depreciation	1,341	2,026
Impairment losses	-	90
Operating profit before movements in working capital	5,211	4,415
(Increase)/decrease in stocks	(9,691)	11,503
Decrease in trade and other receivables	2,276	1,050
Increase/(decrease) in trade and other payables	7,853	(15,270)
(Decrease)/increase in provisions	(142)	1,317
Cash generated by operations	5,507	3,015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

26. BUSINESS ACQUISITIONS

Acquisition of the service and parts businesses operated by Joseph Rice Truck Services Ltd

On 4 December 2007 the company acquired the trade and net assets of the service and parts businesses operated by Joseph Rice Truck Services Ltd for cash consideration of £78,000. The transaction was accounted for using the acquisition method of accounting. The book and fair value of the assets acquired were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Net assets acquired:			
Working capital	15	(12)	3
Property, plant and equipment (note 12)	48	-	48
	63	(12)	51
Goodwill			42
Total consideration			93
Satisfied by:			
Cash			78
Directly attributable costs			15
			93

The fair value adjustment reflects the difference between the market value and book value of the stock owned by the business at the acquisition date.

The goodwill and cash paid on the purchase of businesses may be reconciled as follows:

	Goodwill £'000	Cash £'000
Arising on acquisition of Joseph Rice Truck Services Ltd	27	93
Additional consideration on the prior year acquisitions	17	2
Total goodwill (note 11) / cash per cash flow statement	44	95

27. ANALYSIS OF NET DEBT

	30 June 2008 £'000	25 June 2007 £'000
Cash and cash equivalents (note 17)	13	12
Bank overdraft	(11,294)	(11,729)
Cash and cash equivalents per cash flow statement	(11,281)	(11,717)

28. CONTINGENT LIABILITIES

The company has contingent liabilities under performance and trade guarantees entered into the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from 26 June 2007 to 30 June 2008

29. OPERATING LEASE ARRANGEMENTS

At the balance sheet date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Property		Plant, machinery and equipment	
	30 June 2008 £'000	25 June 2007 £'000	30 June 2008 £'000	25 June 2007 £'000
Amounts payable under operating leases:				
Within one year	422	407	627	588
In the second to fifth years inclusive	1,573	1,202	444	637
After five years	10,112	6,794	-	-
	12,107	8,403	1,071	1,225

Property lease payments represent rentals payable by the company for certain of its operating locations and offices. Leases are negotiated over various terms to suit the particular requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is the earlier.

Plant, machinery and equipment leases represent short term leases for office, general equipment and company cars.

30. RELATED PARTY TRANSACTIONS

During the period, the company entered into the following transactions with other group companies on an arms length basis:

	30 June 2008 £'000	25 June 2007 £'000
Sale of goods and services to Imperial Multipart Ltd	39	98
Interest paid to Imperial Multipart Ltd	448	367
Purchase of goods and services from Imperial Multipart Ltd	3588	5,269
Interest payable to IH Mobility Holdings (UK) Ltd re bank offset arrangements	108	-
Amounts owed to company by Imperial MultipartLtd re trading	-	303
Amounts owed by the company to Imperial Multipart Ltd	-	36
Amounts owed by the company to IH Mobility Holdings (UK)Ltd – Loan	11,096	11,096
Amounts owed to the company by IH Mobility Holdings (UK) Ltd– Current	(89)	-

There were no bad debt charges or provisions in respect of the above transactions.

Transactions with key management personnel

Other than remuneration, as set out in note 8, the company did not enter into any material transactions with any key management personnel during either the current or preceding financial periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period from 26 June 2007 to 30 June 2008

31. ULTIMATE PARENT COMPANY

The company regarded by the directors as the ultimate parent and controlling party is Imperial Holdings Ltd, which is incorporated in South Africa. It is also the parent company of the largest and smallest group for which group accounts are prepared. The immediate parent company and immediate controlling entity is Imperial Mobility Holdings (UK) Ltd.

Copies of the consolidated accounts of Imperial Holdings Ltd can be obtained from PO Box 3013, Edenvale, Johannesburg, 1610, South Africa.