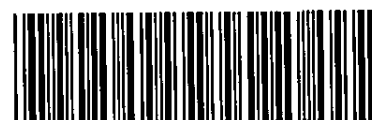


**REGISTERED NUMBER 2156457 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007  
FOR  
GREENOAKS (MAIDENHEAD) LIMITED**

FRIDAY



\*LF9BA4FD\*

L14

31/10/2008

348

COMPANIES HOUSE

**GREENOAKS (MAIDENHEAD) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8</b>

---

**GREENOAKS (MAIDENHEAD) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2007**

---

**DIRECTORS:**

A Khayami  
B J Martin  
M Foroutan  
N C Tanner

**SECRETARY:**

B J Martin

**REGISTERED OFFICE**

273/283 Bath Road  
Slough  
Berkshire  
SL1 5PR

**REGISTERED NUMBER:**

2156457 (England and Wales)

**AUDITORS:**

Hartley Fowler LLP  
Chartered Accountants  
Registered Auditor  
4th Floor, Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

## **GREENOAKS (MAIDENHEAD) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of dealing in high quality motor vehicles

No significant change in the nature of these activities occurred during the year

#### **REVIEW OF BUSINESS**

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

In the context of the major development work undertaken and the difficult vehicle selling conditions, the results for the year and the financial position at the year end were considered satisfactory by the directors

The management of the company and the execution of the company's strategies are subject to a number of risks and uncertainties. The principal risks and uncertainties relate to competition from other Mercedes Benz retailers both locally and nationally, employee retention, product demand and achievement of the manufacturer's performance targets

The company is also subject to financial risks including credit and interest rate risks. Credit risks relate mainly to trade debtor recoverability and this risk is mitigated by company procedures relating to the timely collection of amounts due from such debtors. Interest rate risks relate to the company's exposure to bank loans and overdrafts, manufacturer stocking finance and loans from related parties. These risks are mitigated by active management of bank overdraft levels and stock management

The company's directors are of the opinion that Key Performance Indicators are turnover growth (increase of 2.4%) and gross profit margins (down from 13.2% in 2006 to 11.8% in 2007)

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2007

#### **RESEARCH AND DEVELOPMENT**

The company continues to invest significant amounts in its dealership operations through the acquisition of the latest high quality plant and machinery. The directors consider the investment in such developments as integral to the continuing success of the company

#### **FUTURE DEVELOPMENTS**

The directors are carefully monitoring the company's performance and are taking appropriate actions in order to maintain future profitability

There have been no material post balance sheet events to report

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

A Khayami  
B J Martin  
M Foroutan  
N C Tanner

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made donations to charity of £40,000 (2006 £nil)

## **GREENOAKS (MAIDENHEAD) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007**

---

#### **EMPLOYEE INVOLVEMENT**

The company's policy is to consult and discuss with employees, through staff councils and at regular meetings, matters likely to affect employees' interests

Information on matters of concern to employees is given through bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

There is no employee share scheme at present

#### **DISABLED PERSONS**

The company's policy is to consider disabled workers for all vacancies that they apply for. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **MARKET VALUE OF LAND AND BUILDINGS**

The directors do not consider there to be a significant difference between the net book value and market value of interests in land and buildings.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each 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.

#### **ON BEHALF OF THE BOARD.**



A Khayami - Director

29 October 2008

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF GREENOAKS (MAIDENHEAD) LIMITED**

---

We have audited the financial statements of Greenoaks (Maidenhead) Limited for the year ended 31 December 2007 on pages six to fifteen. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 Report of the Directors 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 Report of the Directors 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 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
GREENOAKS (MAIDENHEAD) LIMITED**

---

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Hartley Fowler LLP  
Chartered Accountants  
Registered Auditor  
4th Floor, Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

29 October 2008

**GREENOAKS (MAIDENHEAD) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
<b>TURNOVER</b>		86,651,090	84,651,800
Cost of sales		<u>76,449,886</u>	<u>73,467,070</u>
<b>GROSS PROFIT</b>		10,201,204	11,184,730
Distribution costs		3,363,518	3,497,370
Administrative expenses		<u>9,619,172</u>	<u>10,698,200</u>
		12,982,690	14,195,570
		(2,781,486)	(3,010,840)
Other operating income		<u>4,585,373</u>	<u>3,709,872</u>
<b>OPERATING PROFIT</b>	3	1,803,887	699,032
Interest payable and similar charges	4	<u>1,570,743</u>	<u>1,239,562</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		233,144	(540,530)
Tax on profit/(loss) on ordinary activities	5	<u>73,340</u>	<u>(58,010)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>159,804</u>	<u>(482,520)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements



**GREENOAKS (MAIDENHEAD) LIMITED**

**BALANCE SHEET  
31 DECEMBER 2007**

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Intangible assets	6	-	-
Tangible assets	7	3,628,743	3,573,443
		<u>3,628,743</u>	<u>3,573,443</u>
<b>CURRENT ASSETS</b>			
Stocks	8	17,061,446	13,287,109
Debtors	9	10,624,661	10,907,561
Cash in hand		15,086	3,099
		<u>27,701,193</u>	<u>24,197,769</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	30,217,028	26,891,448
		<u>(2,515,835)</u>	<u>(2,693,679)</u>
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,112,908	879,764
<b>PROVISIONS FOR LIABILITIES</b>	13	73,340	-
<b>NET ASSETS</b>		<u>1,039,568</u>	<u>879,764</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	10,000	10,000
Profit and loss account	15	1,029,568	869,764
<b>SHAREHOLDERS' FUNDS</b>	19	<u>1,039,568</u>	<u>879,764</u>

The financial statements were approved by the Board of Directors on 29 October 2008 and were signed on its behalf by



A Khayami - Director

The notes form part of these financial statements

## GREENOAKS (MAIDENHEAD) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 1 ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

##### Turnover

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

##### Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Goodwill is amortised through the profit and loss account over the directors' estimate of its economic life. Goodwill has been amortised to £nil in a prior year and therefore no charge for amortisation has been made in these financial statements

##### Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings freehold	2% on cost
Land and buildings leasehold	Over the term of the lease
Plant and machinery	20% on cost
Computer equipment	33% on cost
Fixtures, fittings & equipment	20% on cost

##### Stocks

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

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

##### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

#### 2 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	5,511,215	5,679,011
Social security costs	773,862	788,120
Other pension costs	7,380	7,490
	<u>6,292,457</u>	<u>6,474,621</u>

**GREENOAKS (MAIDENHEAD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**2 STAFF COSTS - continued**

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

	2007	2006
Administration	55	57
Sales	32	30
Service	177	184
	<u>264</u>	<u>271</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging

	2007 £	2006 £
Hire of plant and machinery	147,067	170,125
Other operating leases	607,401	951,690
Depreciation - owned assets	853,446	464,061
Auditors' remuneration	40,000	40,000
Auditors' remuneration for non audit work	64,050	51,113
	<u>1,611,964</u>	<u>1,677,009</u>
Directors' emoluments	102,740	116,599
Directors' pension contributions to money purchase schemes	7,380	7,490
	<u>109,120</u>	<u>124,089</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2007 £	2006 £
Bank interest	198,577	106,714
Bank loan interest	41,807	162,588
Non bank interest	1,330,359	970,260
	<u>1,570,743</u>	<u>1,239,562</u>

**GREENOAKS (MAIDENHEAD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**5 TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	-	(58,010)
Deferred tax	73,340	-
Tax on profit/(loss) on ordinary activities	<u>73,340</u>	<u>(58,010)</u>

UK corporation tax has been charged at 20%

**Factors affecting the tax charge/(credit)**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007 £	2006 £
Profit/(loss) on ordinary activities before tax	<u>233,144</u>	<u>(540,530)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2006 - 19%)	46,629	(102,701)
Effects of		
Non deductible expenses	13,389	7,932
Depreciation add back	170,689	88,172
Capital allowances	(161,828)	(156,349)
Adjustments to previous periods	-	587
Other tax adjustments	-	104,349
Tax losses utilised	<u>(68,879)</u>	<u>-</u>
Current tax charge/(credit)	<u>-</u>	<u>(58,010)</u>

**GREENOAKS (MAIDENHEAD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**6 INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 January 2007 and 31 December 2007	5,404,254
<b>AMORTISATION</b>	
At 1 January 2007 and 31 December 2007	5,404,254
<b>NET BOOK VALUE</b>	
At 31 December 2007	-
At 31 December 2006	-

**7 TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Plant and machinery £
<b>COST</b>			
At 1 January 2007	48,044	648,438	3,292,776
Additions	-	8,196	592,553
At 31 December 2007	48,044	656,634	3,885,329
<b>DEPRECIATION</b>			
At 1 January 2007	1,127	93,427	761,621
Charge for year	161	44,705	598,266
At 31 December 2007	1,288	138,132	1,359,887
<b>NET BOOK VALUE</b>			
At 31 December 2007	46,756	518,502	2,525,442
At 31 December 2006	46,917	555,011	2,531,155

**GREENOAKS (MAIDENHEAD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**7 TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2007	1,066,513	60,486	5,116,257
Additions	292,362	15,635	908,746
At 31 December 2007	1,358,875	76,121	6,025,003
<b>DEPRECIATION</b>			
At 1 January 2007	672,141	14,498	1,542,814
Charge for year	185,194	25,120	853,446
At 31 December 2007	857,335	39,618	2,396,260
<b>NET BOOK VALUE</b>			
At 31 December 2007	501,540	36,503	3,628,743
At 31 December 2006	394,372	45,988	3,573,443

**8 STOCKS**

	2007 £	2006 £
Finished goods	17,061,446	13,287,109

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade debtors	2,150,928	3,021,827
Amounts owed by group undertakings	5,753,788	5,527,452
Other debtors	2,276,485	1,598,108
Tax	58,597	58,597
VAT	-	295,608
Prepayments and accrued income	384,863	405,969
	10,624,661	10,907,561

**GREENOAKS (MAIDENHEAD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts (see note 11)	3,629,416	4,382,554
Other loans (see note 11)	3,900,000	2,950,000
Trade creditors	5,993,978	5,959,365
Amounts owed to group undertakings	699,600	708,486
Other taxes and social security costs	506,562	274,169
VAT	14,269	-
Consignment stock loan	9,133,024	6,450,616
Other creditors	2,935,830	3,200,000
Directors' current accounts	2,712,998	2,167,696
Accruals and deferred income	691,351	798,562
	<u>30,217,028</u>	<u>26,891,448</u>

**11 LOANS**

An analysis of the maturity of loans is given below

	2007 £	2006 £
Amounts falling due within one year or on demand		
Bank overdrafts	3,629,416	3,367,554
Bank loans	-	1,015,000
Other loans	3,900,000	2,950,000
	<u>7,529,416</u>	<u>7,332,554</u>

Bank overdrafts amounting to £3,629,416 (2006 £3,367,554) and bank loans of £nil (2006 £1,015,000) are secured by a charge on the properties of the company as well as those of the parent company

Other loans of £3,900,000 (2006 £2,950,000) are secured by a floating charge on the company's vehicle stocks

**12 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2007 £	2006 £	2007 £	2006 £
Expiring				
Within one year	-	87,500	6,072	35,176
Between one and five years	-	-	84,721	70,549
In more than five years	245,000	245,000	-	-
	<u>245,000</u>	<u>332,500</u>	<u>90,793</u>	<u>105,725</u>

**GREENOAKS (MAIDENHEAD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**13 PROVISIONS FOR LIABILITIES**

	2007 £	2006 £
Deferred tax	<u>73,340</u>	<u>-</u>
		Deferred tax
		£
Accelerated capital allowances		132,436
Tax losses carried forward		(59,096)
Balance at 31 December 2007		<u>73,340</u>

The net deferred tax liability of £73,340 (2006 £4,170) is made up a deferred tax liability of £132,436 (2006 £123,717) in respect of accelerated capital allowances and is offset by a deferred tax asset of £59,096 (2006 £119,547) in respect of carried forward tax losses. In 2006, the net deferred tax liability of £4,170 was not reflected in the financial statements as the amount was not material.

Following the substantive enactment of the Finance Act 2007 on 26 June 2007, deferred tax relating to timing differences which are expected to reverse up to 31 March 2008 is measured at 19% and deferred tax relating to timing differences expected to reverse from 1 April 2008 is measured at 20%.

**14 CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid Number	Class	Nominal value £1	2007 £	2006 £
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

**15 RESERVES**

	Profit and loss account £
At 1 January 2007	869,764
Profit for the year	159,804
At 31 December 2007	<u>1,029,568</u>



**GREENOAKS (MAIDENHEAD) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007****16 CAPITAL COMMITMENTS**

	2007 £	2006 £
Contracted but not provided for in the financial statements	<u>20,257</u>	<u>510,000</u>

At the year end the company and its parent, Sigma Holdings Limited, were committed to capital expenditure of £20,257 (£510,000) in respect of the redevelopment of dealership properties

**17 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

During the year the company made charitable donations of £40,000 (2006 £nil) to The Khayami Foundation Mr A Khayami and Mr B Martin, directors, are also trustees of The Khayami Foundation

During the year the company was charged rent of £160,000 (2006 £160,000) by Winnington Holdings LLP in which Mr A Khayami is a partner At the year end £Nil was outstanding in respect of these transactions (2006 £40,000) This transaction was on a normal trading basis

During the year the company recharged costs of £17,339 (2006 £nil) to Winnington Holdings LLP The amount due at the year end was £17,339 (2006 £nil) During the year Winnington Holdings LLP recharged £52,519 to Greenoaks (Maidenhead) Limited in respect of costs incurred on its behalf At the year end £52,519 (2006 £nil) was outstanding

Winnington Holdings LLP has made loans to the company which are repayable on demand with interest charged at 6% At the year end £2,500,000 (2006 £2,800,000) was outstanding and is included in other creditors

At the year end, the company owed Mr A Khayami £2,500,000 (2006 £2,000,000) and Mr M Khayami (director of the parent company) £400,000 (2006 £400,000) These are repayable on demand and interest is charged at 6% In addition, the balance owing to Mr A Khayami at the year end in respect of the non interest bearing element of his director's current account was £212,998 (2006 £167,696) The director's loan account is repayable on demand

**18 ULTIMATE CONTROLLING PARTY**

The ultimate parent company is Sigma Holdings Limited, a company registered in England and Wales Sigma Holdings Limited is controlled by A Khayami, a director of both companies

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2007 £	2006 £
Profit/(Loss) for the financial year	<u>159,804</u>	<u>(482,520)</u>
Net addition/(reduction) to shareholders' funds	159,804	(482,520)
Opening shareholders' funds	<u>879,764</u>	<u>1,362,284</u>
Closing shareholders' funds	<u>1,039,568</u>	<u>879,764</u>