

Company No: 2251848  
Registered in England & Wales

**MOTOR MALL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**28TH FEBRUARY 2005**

Norman Brisk & Company  
Chartered Certified Accountants  
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Canterbury Road  
Lyminge  
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**MOTOR MALL LIMITED**

**YEAR ENDED 28TH FEBRUARY 2005.**

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# **MOTOR MALL LIMITED**

## **DIRECTORS**

D T Westgarth

## **COMPANY SECRETARY**

L H Westgarth

## **REPORTING ACCOUNTANTS**

Norman Brisk & Company  
Bank Chambers  
Canterbury Road  
Lyminge  
Folkestone  
Kent CT18 8HU

## **REGISTERED OFFICE**

Little Densole Farm  
Canterbury Road  
Densole  
Folkestone  
Kent CT18 7BJ

## **COMPANY NUMBER**

2251848 Registered in England & Wales

# MOTOR MALL LIMITED

## REPORT OF THE DIRECTORS

The Director presents his report together with the Financial Statements for the year ended 28th February 2005.

### Principal Activities

The principal activity of the Company is the sale of new and secondhand imported motor vehicles on an agency basis.

### Directors' Responsibilities

Company law requires the Director to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Director is required to : -

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent.
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the Financial Statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the Company and hence for taking any reasonable steps for the prevention and detection of fraud and other irregularities.

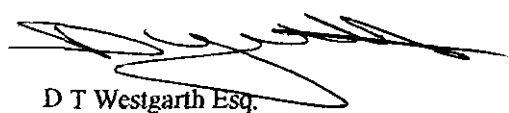
### Directors and their Interests

All the shares in the Company are held by the group holding company – Motor Mall (Holdings) Limited. The Director's interests in the shares of the group holding company were:

	<u>5p Ordinary Shares</u>	
	<u>28-Feb-05</u>	<u>29-Feb-04</u>
D T Westgarth Esq.	<u>1,997</u>	<u>1,997</u>
	<u>1,997</u>	<u>1,997</u>

In preparing this report, the director has taken advantage of the special provisions applicable to small companies provided by Part VII of the Companies Act 1985.

By Order of the Board

  
D T Westgarth Esq.  
Director

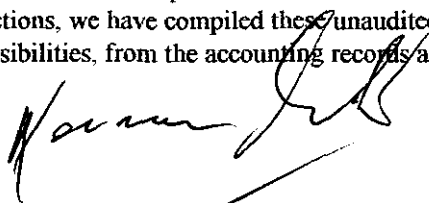
Densole  
20th December 2005

**MOTOR MALL LIMITED**

**ACCOUNTANTS' REPORT TO THE DIRECTOR**

**YEAR ENDED 28TH FEBRUARY 2005**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 28th February 2005, set out on pages 4 to 12 and you consider that the company is exempt from an audit and a report under section 249A (1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Norman Brisk & Company  
Chartered Certified Accountants

Densole

Norman M. Brisk FCCA

20th December 2005

**MOTOR MALL LIMITED****Profit and Loss Account for the year ended 28th February 2005**

		<u>2005</u>	<u>2004</u>
	Note	<u>£</u>	<u>£</u>
<b>TURNOVER</b>	2(a)	1,188,408	982,688
Cost of sales		1,055,924	820,287
<b>GROSS PROFIT</b>		<u>132,484</u>	<u>162,401</u>
Administrative expenses		260,927	224,146
<b>OPERATING (LOSS) FOR THE YEAR</b>	2(b)	<u>(128,443)</u>	<u>(61,745)</u>
Other income	3	158,683	129,579
		<u>30,240</u>	<u>67,834</u>
Interest payable and similar charges	4	(19,157)	(19,868)
<b>NET PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	<u>11,083</u>	<u>47,966</u>
TAXATION	6	(7,527)	(7,432)
<b>NET PROFIT/ (LOSS)FOR THE YEAR AFTER TAXATION</b>	13	<u>3,556</u>	<u>40,534</u>
<b>BALANCE CARRIED FORWARD</b>	13	<u><u>3,556</u></u>	<u><u>40,534</u></u>

The notes on pages 7 to 12 form part of these accounts.

# MOTOR MALL LIMITED

Balance Sheet as at 28th February 2005

		<u>2005</u>		<u>2004</u>	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	1,7		694,606		698,955
<b>CURRENT ASSETS</b>					
Stock	1,8	44,800		7,954	
Debtors	9	136,572		115,111	
Amounts due - fellow subsidiaries	10	2,480		2,480	
Amounts due - parent company	11	759		759	
		<u>184,611</u>		<u>126,304</u>	
<b>CURRENT LIABILITIES</b>					
Creditors - Amounts falling due within one year	12	293,159		202,383	
Creditors - fellow subsidiaries		<u>138,798</u>		<u>114,147</u>	
		<u>431,957</u>		<u>316,530</u>	
<b>NET CURRENT (LIABILITIES)</b>			(247,346)		(190,226)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>447,260</u>		<u>508,729</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		144,188		209,213
<b>NET ASSETS</b>			<u>303,072</u>		<u>299,516</u>
<b>SHAREHOLDERS' FUNDS</b>					
Profit and loss Account	13		(244,511)		(248,067)
Called up share capital	14		14,545		14,545
Realised surplus account	15		242,137		242,137
Unrealised surplus account	16		290,901		290,901
			<u>303,072</u>		<u>299,516</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the Board of Directors on 20th December 2005

.....  
D T Westgarth

The balance sheet is continued overleaf

## **MOTOR MALL LIMITED**

**Balance Sheet as at 28th February 2005 - continued**

### **DIRECTOR'S STATEMENT**

The director is satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The director acknowledges his responsibility for :

- i) Ensuring that the company keeps accounting records which comply with section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The director has taken advantage of special provisions conferred by Part VII of the Companies Act 1985 applicable to small companies in the preparation of these accounts.

Signed on behalf of the  
Board of Directors

  
D T Westgarth Esq - Director

Signed and approved on

29th November 2005



## **MOTOR MALL LIMITED**

Notes forming part of the Financial Statements for the year ended 28th February 2005

### **1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the Company's financial statements are as follows:

#### Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include Freehold Property at professional valuation.

#### Investment property

The Director has not provided depreciation in order that the accounts give a true and fair view.

#### Depreciation

Depreciation is provided on all tangible fixed assets other one of the freehold properties held as an Investment Property, at annual rates calculated to write off the cost of each asset over its expected useful life as follows:-

Freehold property	- 2% on cost of freehold buildings
Equipment, furniture & fittings	- 15% on net book value
Motor vehicles	- 25% on net book value

#### Turnover

Turnover comprises invoiced value excluding VAT of goods and services supplied to third parties on behalf of principals.

#### Stock and work in progress

Stock and work in progress have been valued at the lower of cost or net realisable value.

#### Deferred Taxation

No provision has been made in respect of deferred taxation arising from accelerated capital allowances as the directors do not believe a liability will crystallise.

#### Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### Cash Flow Statement

The director has elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

# **MOTOR MALL LIMITED**

Notes forming part of the Financial Statements for the year ended 28th February 2005

## **2(a). TURNOVER**

The turnover of the Company relates to customers in the United Kingdom in respect of:-

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Agency car sales	1,188,408	982,688

## **2(b). OPERATING PROFIT/ (LOSS)**

The operating losses are as follows:-

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Operating losses	(128,443)	(61,745)

## **3. OTHER INCOME**

Other income is in respect of:

Commission arising from sales

Rents received

Management charges - fellow subsidiary company

<u>2005</u>	<u>2004</u>
<u>£</u>	<u>£</u>
84,155	60,229
68,528	63,350
6,000	6,000
158,683	129,579

## **4. INTEREST PAYABLE AND SIMILAR CHARGES**

Interest Payable - Bank loans and overdrafts

and other loans repayable within five years

Hire purchase contracts

Mortgage interest

<u>2005</u>	<u>2004</u>
<u>£</u>	<u>£</u>
-	-
-	-
19,157	19,868
19,157	19,868

## **5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

(Loss) on Ordinary Activities has been arrived at after (crediting)/charging:-

Depreciation of fixed assets

Director's emoluments

Auditors remuneration

<u>2005</u>	<u>2004</u>
<u>£</u>	<u>£</u>
6,181	6,120
42,250	33,670
4,015	2,500

## **6. TAXATION**

Corporation Tax - Rate: 19%

<u>2005</u>	<u>2004</u>
<u>£</u>	<u>£</u>
7,527	7,432

No taxation has been provided on the unrealised surplus on the adoption of the professional valuation, as there is no imminent decision to sell the property by the director.

## MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2005

### 7. TANGIBLE FIXED ASSETS

	<u>Freehold</u> <u>Property</u>	<u>Equipment,</u> <u>Furniture &amp;</u> <u>Fittings (see</u> <u>note)</u>	<u>Total</u>
<u>Cost or Valuation</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st March 2004	704,432	31,073	735,505
Additions	-	1,832	1,832
(Disposals)	-	-	-
At 28 February 2005	<u>704,432</u>	<u>32,905</u>	<u>737,337</u>
 <u>Depreciation</u>			
At 1st March 2004	20,852	15,698	36,550
Disposal adjustments	-	-	-
Charge for year	3,600	2,581	6,181
At 28 February 2005	<u>24,452</u>	<u>18,279</u>	<u>42,731</u>
 <u>Net Book Value</u>			
At 28 February 2005	<u>679,980</u>	<u>14,626</u>	<u>694,606</u>
At 29 February 2004	<u>683,580</u>	<u>15,375</u>	<u>698,955</u>

Freehold Property of £81,740 included above is an Investment Property and no depreciation has been provided.

Freehold Property at Chartham has been included as at professional valuation made on 13th December 1999. This has given rise to an unrealised surplus on land of £290,901. No taxation has been provided on the unrealised surplus (see Taxation note 6).

Depreciation on the freehold buildings has been provided at 2% on cost.

# **MOTOR MALL LIMITED**

Notes forming part of the Financial Statements for the year ended 28th February 2005

<b>8. STOCKS &amp; PAYMENTS IN ADVANCE FOR CARS IN TRANSIT</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Motor vehicles & spare parts	44,800	7,954
<b>9. DEBTORS</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Trade debtors	135,327	113,899
Other debtors and prepaid	1,245	1,212
	<u>136,572</u>	<u>115,111</u>
<b>10. FELLOW SUBSIDIARY COMPANIES</b>	<u>2005</u>	<u>2004</u>
Amounts due from:	<u>£</u>	<u>£</u>
Canterbury Car Sales Limited	2,480	2,480
	<u>2,480</u>	<u>2,480</u>
<b>11. PARENT COMPANY</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Amount due from Motor Mall (Holdings) Limited	759	759
<b>12. CREDITORS: Amounts falling due within one year</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Mortgage repayments due within 12 months	64,591	49,578
Bank overdraft	108,862	28,846
Director's loans	-	23,596
Trade and other sundry creditors	62,537	61,854
Accruals	37,876	15,071
Corporation Tax	7,527	7,432
Taxation and Social Security	11,766	16,006
	<u>293,159</u>	<u>202,383</u>
<b>CREDITORS -</b>	<u>2005</u>	<u>2004</u>
Amounts due to Fellow Subsidiary Company	<u>£</u>	<u>£</u>
- Canterbury Service Station Limited	138,798	114,147
<b>CREDITORS - Amounts falling due outside one year</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Amount due to Fellow Subsidiary Company - Canterbury Car Services Ltd	37,527	37,527
Mortgage	106,661	171,686
	<u>144,188</u>	<u>209,213</u>
<u>Borrowings: Due within one year</u>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	-	28,846
Mortgage	64,591	49,578
	<u>64,591</u>	<u>78,424</u>

# **MOTOR MALL LIMITED**

Notes forming part of the Financial Statements for the year ended 28th February 2005

<b>12. CREDITORS (continued)</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
<u>Borrowings: Due outside one year</u>		
<u>Wholly repayable within five years</u>		
Mortgage	106,661	171,686
<u>Wholly repayable over five years (see below)</u>		
Long Term Loan	37,527	37,527
Mortgage	64,591	49,578
	<u>102,118</u>	<u>87,105</u>
Total borrowings	<u>208,779</u>	<u>258,791</u>

Bank borrowings are secured by a first legal charge over the company's freehold properties and a debenture over the fixed and floating assets of the company. Fixed rate mortgages are repayable over seven years and the unexpired term is five years.

## **13. RECONCILIATION OF SHAREHOLDERS' FUNDS**

	<u>Share Capital</u>	<u>Realised Surplus A/c</u>	<u>Unrealised Surplus</u>	<u>Profit &amp; Loss Account</u>	<u>Total</u>
At 1 March 2004 as previously stated	14,545	242,137	290,901	(248,067)	299,516
	14,545	242,137	290,901	(248,067)	299,516
Profit for the year (after taxation)				3,556	3,556
At 28 February 2005	14,545	242,137	290,901	(244,511)	303,072

<b>14. SHARE CAPITAL</b>	<u>2005</u>	<u>2004</u>
<u>Authorised</u>	<u>£</u>	<u>£</u>
50,000 Ordinary shares of £1 each	50,000	50,000
<u>Issued and Fully Paid</u>		
14,545 Ordinary shares of £1 each	14,545	14,545

<b>15. REALISED SURPLUS ACCOUNT</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Realised surplus brought forward	242,137	242,137
Dividend paid	-	-
Realised surplus carried forward	<u>242,137</u>	<u>242,137</u>

<b>16. UNREALISED SURPLUS ACCOUNT</b>	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Unrealised surplus brought forward	290,901	290,901
Arising in year on professional revaluation on freehold property	-	-
Unrealised surplus carried forward	<u>290,901</u>	<u>290,901</u>

No provision has been made in respect of the taxation that would be chargeable if the property is disposed of.

## MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2005

### 17. CAPITAL EXPENDITURE & CAPITAL COMMITMENTS

The director has not authorised any capital expenditure or entered into any capital commitments which are not reflected in these financial statements.

### 18. STAFF COSTS

Staff costs, including directors, during the period amounted to:	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Wages and salaries	118,722	114,240
Social Security costs	11,618	11,136
	<u>130,340</u>	<u>125,376</u>

Directors Remuneration included in the above was:

	<u>2005</u>	<u>2004</u>
Salaries	42,250	33,670
Social Security costs	4,803	3,698
	<u>47,053</u>	<u>37,368</u>

The average weekly number of employees during the year was made up as follows:

	<u>2005</u>	<u>2004</u>
Directors	1	1
Production	3	3
Sales	-	-
Administrative	-	-
	<u>4</u>	<u>4</u>

The emoluments of the Chairman, who was also the highest paid director, were £.....  
[2004: £33,670]. The emoluments of all directors fall within the following ranges:

	<u>2005</u>	<u>2004</u>
£25,001 - £30,000	-	-
£30,001 - £45,000	1	1

### 19. COMMITMENTS AND CONTINGENT

The company has given a first legal charge over the freehold property and a fixed and floating charge over all current and future assets of the Company to their bankers.

### 20. ULTIMATE HOLDING COMPANY

The Parent and Ultimate Holding Company is Motor Mall (Holdings) Limited, incorporated in England.