

Kwik-Fit Properties Limited

Financial Statements 31 December 2006
together with Directors' and auditors' reports

Registered number 2579167



Directors' report

The Directors present their report together with the audited financial statements for the year ended 31 December 2006

Principal activities and business review

The Company's principal activity is the holding and managing of properties on behalf of other group companies. The Company charges other group companies a rental charge based on the current market rental value of the property. In addition, it receives rental income from third party tenants who occupy the surplus parts of the properties.

The increase in turnover and operating profit in 2006 primarily reflects the fact that the company effectively traded for a 7 ½ month period in 2005, following the transfer of a number of freehold properties from a fellow group undertaking on 13 May 2005.

Results and dividends

The profit for the year after taxation amounted to £284,000 (31 December 2005 - £1,501,000). Full details are set out in the Profit and Loss Account on Page 4. No dividends were paid in the year (31 December 2005 - £nil).

Subsequent events

Subsequent to the year end, the Company entered into a sale and leaseback transaction on the majority of the Company's freehold properties (see note 8). The proceeds were lent to a fellow group undertaking and were ultimately used to reduce loans drawn down by Speedy 1 Limited, the Company's ultimate UK holding company (notes 8 and 15).

Future developments

Following the sale and leaseback transaction, the property leases have been entered into by a fellow group undertaking. It is anticipated that the Company will continue to trade from the remaining freehold properties.

Directors and their interests

The Directors of the Company who held office during the period were

I Fraser

M Healy (appointed 28 March 2006)

K McGill (resigned 28 March 2006)

The Directors do not have a beneficial interest or hold shares in the Company. The Directors' shareholdings in Financiere Daunou 2 SA, the Company's ultimate parent undertaking, are disclosed in the financial statements of that company.

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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 that 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.

Directors' report (continued)

Disclosure of information to the auditors

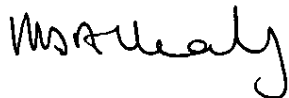
So far as each person who was a Director at the date of approving this report is aware

- there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware,
- having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

On 9 November 2006 PricewaterhouseCoopers LLP resigned as auditors of the Company and Ernst & Young LLP were appointed in their place. The Company has elected to dispense with the obligation to appoint auditors annually, under s 386 of the Companies Act 1985.

By order of the Board,



M Healy
Company Secretary
26 October 2007

St James's Court
30 Brown Street
Manchester
M2 2JF

Independent auditors' report

Independent auditors' report to the members of Kwik-Fit Properties Limited

We have audited the Company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and Losses and the related notes 1 to 15. 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 United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with 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.

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 2006 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 Directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered auditor
Glasgow

29 October 2007

Profit and loss account

For the year ended 31 December 2006

	Notes	31 December 2006 £000	31 December 2005 £000
Turnover	3	4,925	3,027
Cost of sales		(2,221)	(925)
Gross profit		2,704	2,102
Operating expenses		(234)	(147)
Operating profit	5	2,470	1,955
Profit on sale of fixed assets		1,813	1,836
Profit on ordinary activities before interest and taxation		4,283	3,791
Net interest payable	4	(3,999)	(2,290)
Profit on ordinary activities before taxation		284	1,501
Tax on ordinary activities	6	-	-
Retained profit for the year	7	284	1,501

A statement of movements on reserves is given in note 7

There are no recognised gains or losses in either year other than the profit for each year as shown above

The Company's activities are continuing

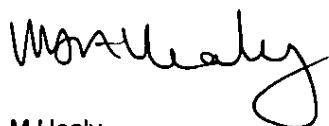
The accompanying notes and statement of accounting policies on pages 6 to 12 form an integral part of these financial statements

Balance Sheet

31 December 2006

	Notes	31 December 2006 £000	31 December 2005 £000
Fixed assets			
Tangible assets	8	<u>42,885</u>	<u>44,788</u>
Creditors: amounts falling due within one year	9	<u>(38,953)</u>	<u>(41,140)</u>
Net current liabilities		<u>(38,953)</u>	<u>(41,140)</u>
Total assets less current liabilities		<u>3,932</u>	<u>3,648</u>
Net assets		<u>3,932</u>	<u>3,648</u>
Capital and reserves			
Called-up share capital	10	<u>2,000</u>	<u>2,000</u>
Profit and loss account	7	<u>1,932</u>	<u>1,648</u>
Equity shareholder's funds	11	<u>3,932</u>	<u>3,648</u>

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



M Healy
Director
26 October 2007

The accompanying notes and statement of accounting policies on pages 6 to 12 form an integral part of these financial statements

Notes to the financial statements

31 December 2006

1 Accounting policies

The principal accounting policies all of which have been applied consistently throughout the year and the preceding year are set out below

Basis of accounting

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

Tangible Fixed Assets

Freehold and leasehold properties are stated at cost to the Company less provision for any impairment

Depreciation is provided at rates calculated to write off the assets over their estimated useful lives, as follows

Freehold buildings - 2% straight line

Freehold land is not depreciated

Turnover

Turnover comprises rental income, the majority of which is intra group

Leases

Rental income under operating leases is recognised on an appropriate basis over the lease term, even if the payments are not made on such a basis

Taxation

Corporation tax payable is provided on taxable profits at the current rate in force

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements (continued)

31 December 2006

2 Ultimate holding company and controlling entity

The Company's ultimate holding company is Financière Daunou 2 S A , which is incorporated in Luxembourg and whose registered office address is 5, rue Guillaume Kroll, L-1471, Luxembourg The ultimate controlling entity of Financière Daunou 2 S A is PAI Partners SAS on behalf of funds under management and is incorporated in France

The largest group into which the activities of the Company are consolidated is that headed by Financière Daunou 2 S A The smallest group into which the activities of the Company are consolidated is that headed by Speedy Limited Copies of both of these consolidated financial statements are available to the public and may be obtained from Company Secretary, 216 East Main Street, Broxburn, West Lothian, EH52 5AS

3 Analysis of turnover

	Year ended 31 December 2006 £000	Year ended 31 December 2005 £000
Turnover		
Rental income		
- intra group	4,667	2,858
- other	258	169
	<u>4,925</u>	<u>3,027</u>

A segmental analysis of turnover and profit before taxation and net assets has been omitted since the Directors consider that the Company has one principal activity and it operates solely within the United Kingdom

4 Net Interest payable

	Year ended 31 December 2006 £000	Year ended 31 December 2005 £000
Interest payable to fellow group undertaking	(3,999)	(2,340)
Interest receivable from fellow group undertaking	-	50
	<u>(3,999)</u>	<u>(2,290)</u>

Notes to the financial statements (continued)

31 December 2006

5 Operating profit

Operating profit is stated after charging

	Year ended 31 December 2006 £000	Year ended 31 December 2005 £000
Depreciation of tangible fixed assets	<u>1,227</u>	<u>614</u>

During the current and prior year, the auditors' remuneration has been paid by a fellow group undertaking
During the current and prior year, the Directors' remuneration was also paid by a fellow group undertaking
The Company had no employees (2005 – no employees)

6 Tax on profit on ordinary activities

(i) Taxation charge

	Year ended 31 December 2006 £000	Year ended 31 December 2005 £000
Current tax:		
UK Corporation tax on profits of the period	-	-
Adjustments in respect of prior periods	<u>-</u>	<u>-</u>
Total current tax charge	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
Other	<u>-</u>	<u>-</u>
Total deferred tax charge/(credit)	<u>-</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

31 December 2006

6 Tax on profit on ordinary activities (continued)

(II) Tax reconciliation

	Year ended 31 December 2006 £000	Year ended 31 December 2005 £000
Profit on ordinary activities before tax	284	1,501
Profit on ordinary activities at the UK tax rate 30% (2005 – 30%)	85	450
Effects of:		
Expenses not deductible for tax purposes	(544)	6
Income not taxable	-	(551)
Depreciation in excess of capital allowances	368	172
Chargeable gains	382	-
Group relief (claimed)/surrendered not paid	(291)	405
Utilisation of losses brought forward	-	(482)
Total current tax charge/(credit)	-	-

(III) Deferred tax

	Provided		Unprovided	
	2006 £000	2005 £000	2006 £000	2005 £000
Accelerated capital allowances	-	-	-	-
Tax losses carried forward	-	-	-	-
Capital losses carried forward	-	-	(90)	(90)
Total deferred tax asset	-	-	(90)	(90)

The 2007 Finance Bill introduced a change to the standard rate of UK corporation tax from the current 30% rate down to 28% as well as changes to the capital allowances regime. Under UK GAAP, deferred tax assets are measured using the tax rates and tax law which is substantially enacted once the third reading has been completed in the House of Commons. This happened on 26 June 2007 and accordingly, adjustments in respect of the new Finance Act 2007 changes will be recorded in the financial statements of the company for the year ended 31 December 2007. The financial impact of this will be to reduce the deferred tax assets not recognised by £6,000 in the 2007 financial statements.

Notes to the financial statements (continued)

31 December 2006

7 Profit and loss account

The movement on profit and loss account reserves is as follows

	31 December 2006 £000	31 December 2005 £000
Retained profit at beginning of year	1,648	147
Retained profit for the financial year	284	1,501
Retained profit at end of year	<u>1,932</u>	<u>1,648</u>

8 Tangible fixed assets

	Freehold Land and Buildings £000
Cost	
Balance at 31 December 2005	45,397
Additions	192
Disposals	(1,014)
Balance at 31 December 2006	<u>44,575</u>
Depreciation	
Balance at 31 December 2005	609
Charge	1,227
Depreciation on disposals	(146)
Balance at 31 December 2006	<u>1,690</u>
Net book value	
Balance at 31 December 2005	44,788
Balance at 31 December 2006	<u>42,885</u>

Subsequent to the year end, the Company entered into a sale and leaseback transaction on the majority of the Company's freehold properties. The Net Book Value of properties sold was £35,135,000 and the proceeds were £73,497,000. The proceeds were lent to a fellow group undertaking and were ultimately used by Speedy 1 Limited, the Company's ultimate UK holding company, to reduce Group borrowings.

9 Creditors: amounts falling due within one year

The following are included in the net book value of creditors

	31 December 2006 £000	31 December 2005 £000
Amounts due to other group undertakings	<u>38,953</u>	<u>41,140</u>
	<u>38,953</u>	<u>41,140</u>

Notes to the financial statements (continued)

31 December 2006

10 Called-up share capital

	31 December 2006		31 December 2005	
	Authorised £000	Allotted, called up and fully paid £000	Authorised £000	Allotted, called up and fully paid £000
Ordinary 'A' shares of £1 each	9,000	1,000	9,000	1,000
Ordinary 'B' shares of £1 each	1,000	1,000	1,000	1,000
	10,000	2,000	10,000	2,000

Ordinary A shares and Ordinary B shares have the same rights and privileges in all respects

11 Reconciliation of movements in shareholder's funds

	31 December 2006 £000	31 December 2005 £000
Opening shareholder's funds	3,648	2,147
Profit for the financial period	284	1,501
Closing shareholder's funds	3,932	3,648

12 Guarantees and other financial commitments

- i) Cross guarantees on overdrafts exist between the Company and certain fellow subsidiaries. The bank has full set-off rights between the bank accounts of certain companies within the Kwik-Fit Group.
- ii) The Company has granted mortgages and standard securities over certain properties in favour of the lenders under the Senior Facilities and Mezzanine Facility Agreements arranged by Speedy 1 Limited and Kwik-Fit Group Limited, fellow subsidiary undertakings of Financière Daunou 2 S A, the ultimate holding company.

13 Cash flow statement

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

14 Related party transactions

All related party transactions and balances relate to companies whose voting rights are 90% or more controlled within the group. Advantage has therefore been taken of the exemption within FRS 8 not to disclose these transactions.

Notes to the financial statements (continued)

31 December 2006

15 Subsequent event

Subsequent to the year end, the Company entered into a sale and leaseback transaction on the majority of the Company's freehold properties (see note 8). The proceeds were lent to a fellow group undertaking and were ultimately utilised by Speedy 1 Limited, the Company's ultimate UK holding company, to reduce Group borrowings.