

Registration number 3572433

Bell Choice Limited
Directors' report and financial statements
for the year ended 31 March 2006



Bell Choice Limited

Company information

Directors	Adrian J Bell John Surroy
Secretary	Stephen Page
Company number	3572433
Registered office	197-199 Garth Road Morden Surrey SM4 4NE
Auditors	turpin barker armstrong Allen House 1 Westmead Road Sutton Surrey SM1 4LA
Business address	197-199 Garth Road Morden Surrey SM4 4NE
Bankers	Barclays Bank PLC Wimbledon Business Centre 8 Alexandra Road Wimbledon SW19 7RZ

Bell Choice Limited

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Bell Choice Limited

Director's report for the year ended 31 March 2006

The directors present their report and the financial statements for the year ended 31 March 2006.

Principal activity and review of the business

The principal activity of the company during the year was the sale of second hand motor vehicles, as well as contract hire and leasing of new and used vehicles

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Payments of creditors

It is the policy of the company to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure suppliers are made aware of the terms of payment and to abide by those terms of payment. As at 31 March 2006, the aggregate amount owing to trade creditors shown in the company's balance sheet was equivalent to 37 days (2005 - 32 days) average purchases.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	31/03/06	01/04/05
Adrian J Bell	Ordinary shares	-	-
John Surroy	Ordinary shares	2,500	2,500

7,500 shares of the company are held by Bellhire PLC. Adrian Bell controls Bellhire PLC.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and 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 is 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.

Bell Choice Limited

**Director's report
for the year ended 31 March 2006**

..... continued

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

turpin barker armstrong were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the Board on ^{25/10/2006} and signed on its behalf by



Adrian J Bell
Director

Bell Choice Limited

Independent auditors' report to the shareholders of Bell Choice Limited

We have audited the financial statements of Bell Choice Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and the auditors

As described in the statement of director's responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the directors' report is consistent with the financial statements. We also 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 director's 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 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. However, the evidence available to us was limited because we were appointed auditors on 6 August 2006 and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock appearing on the balance sheet at £93,319. Any adjustment to this figure would have a consequential effect on the results for the year.

Bell Choice Limited

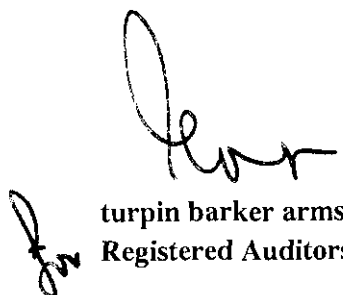
Independent auditors' report to the shareholders of Bell Choice Limited continued

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2006 and of its profit and cashflows for the year then ended. In all other respects, in our opinion, the financial statements have been properly prepared in accordance with the Companies Act 1985. In our opinion the information given in the directors' report is consistent with the financial statements for the year ended 31 March 2006

In respect alone of the limitation on our work relating to stock:

- we have not obtained all the information and explanations we considered necessary for the purposes of our audit; and
- we were unable to determine whether proper accounting records had been maintained.


turpin barker armstrong
Registered Auditors

Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

27 October 2006

Bell Choice Limited

Profit and loss account for the year ended 31 March 2006

		Continuing operations	
		2006	2005
	Notes	£	£
Turnover	2	6,509,761	5,335,963
Cost of sales		(5,862,839)	(4,798,220)
Gross profit		646,922	537,743
Administrative expenses		(576,724)	(479,704)
Operating profit	3	70,198	58,039
Other interest receivable and similar income	4	-	225
Interest payable and similar charges	5	(5,008)	(2,937)
Profit on ordinary activities before taxation		65,190	55,327
Tax on profit on ordinary activities	7	-	(4,532)
Profit on ordinary activities after taxation		65,190	50,795
Retained profit for the year		65,190	50,795
Retained profit brought forward		261,675	210,880
Retained profit carried forward		326,865	261,675

There are no recognised gains or losses other than the profit or loss for the above two financial years.

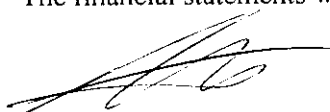
The notes on pages 8 to 15 form an integral part of these financial statements.

Bell Choice Limited

Balance sheet as at 31 March 2006

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		44,130		68,794
Current assets					
Stocks	9	93,319		72,134	
Debtors	10	1,199,958		762,469	
Cash at bank and in hand		1,238		469	
		<u>1,294,515</u>		<u>835,072</u>	
Creditors: amounts falling due within one year	11	<u>(987,476)</u>		<u>(603,913)</u>	
Net current assets			<u>307,039</u>		<u>231,159</u>
Total assets less current liabilities			<u>351,169</u>		<u>299,953</u>
Creditors: amounts falling due after more than one year	12		<u>(14,304)</u>		<u>(28,278)</u>
Net assets			<u><u>336,865</u></u>		<u><u>271,675</u></u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			326,865		261,675
Equity shareholders' funds	14		<u><u>336,865</u></u>		<u><u>271,675</u></u>

The financial statements were approved by the Board on ^{25/10/2006} and signed on its behalf by



Adrian J Bell
Director

The notes on pages 8 to 15 form an integral part of these financial statements.

Bell Choice Limited

Cash flow statement for the year ended 31 March 2006

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		70,198	58,039
Depreciation		26,384	14,682
(Increase) in stocks		(21,185)	31,489
(Increase) in debtors		(437,489)	(33,441)
Increase in creditors		300,747	(56,775)
Net cash outflow from operating activities		<u>(61,345)</u>	<u>13,994</u>
Cash flow statement			
Net cash outflow from operating activities		(61,345)	13,994
Returns on investments and servicing of finance	20	(5,008)	(2,712)
Taxation	20	-	(10,282)
Capital expenditure	20	(372)	(65,438)
		<u>(66,725)</u>	<u>(64,438)</u>
Financing	20	(13,974)	(8,837)
Decrease in cash in the year		<u>(80,699)</u>	<u>(73,275)</u>
Reconciliation of net cash flow to movement in net debt (Note 21)			
Decrease in cash in the year		(80,699)	(73,275)
Cash outflow from increase in debts and lease financing		13,974	8,837
Change in net debt resulting from cash flows		(66,725)	(64,438)
New finance leases and hire purchase contracts		(1,348)	(7,681)
Movement in net debt in the year		<u>(68,073)</u>	<u>(72,119)</u>
Net debt at 1 April 2005		<u>(155,247)</u>	<u>(83,128)</u>
Net debt at 31 March 2006		<u>(223,320)</u>	<u>(155,247)</u>

Bell Choice Limited

Notes to the financial statements for the year ended 31 March 2006

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	16-25% straight line
Motor vehicles	-	25% straight line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	2006 £	2005 £
Turnover	6,509,761	5,335,963

Bell Choice Limited

**Notes to the financial statements
for the year ended 31 March 2006**

..... continued

3. Operating profit	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	14,885	14,682
Loss on disposal of tangible fixed assets	11,499	-
Operating lease rentals		
- Land and buildings	42,000	50,420
Auditors' remuneration	3,000	2,000
Auditors' remuneration from non-audit work	600	2,000
	<u> </u>	<u> </u>
4. Interest receivable and similar income	2006	2005
	£	£
Bank interest	-	225
	<u> </u>	<u> </u>
5. Interest payable and similar charges	2006	2005
	£	£
Interest payable on loans < 1 yr	1,907	182
Hire purchase interest	3,101	2,755
	<u> </u>	<u> </u>
	5,008	2,937
	<u> </u>	<u> </u>
6. Employees		
Number of employees	2006	2005
The average monthly numbers of employees (including the director) during the year were:		
Administration staff	3	3
Sales staff	8	7
	<u> </u>	<u> </u>
	11	10
	<u> </u>	<u> </u>
Employment costs	2006	2005
	£	£
Wages and salaries	297,123	255,468
Social security costs	33,517	27,910
Pension costs-other operating charge	3,203	3,008
	<u> </u>	<u> </u>
	333,843	286,386
	<u> </u>	<u> </u>

Bell Choice Limited

Notes to the financial statements for the year ended 31 March 2006

..... continued

6.1. Directors' emoluments	2006	2005
	£	£
Remuneration and other emoluments	<u>43,200</u>	<u>46,269</u>
 7. Tax on profit on ordinary activities		
Analysis of charge in period	2006	2005
	£	£
Current tax		
UK corporation tax	<u>-</u>	<u>4,532</u>
 Factors affecting tax charge for period		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:		
	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>65,190</u>	<u>55,327</u>
 Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 March 2005 : 19%)	12,386	10,512
Effects of:		
Expenses not deductible for tax purposes	2,287	1,271
Capital allowances for period in excess of depreciation	1,215	(71)
Utilisation of tax losses	(15,888)	(11,712)
Adjustments to tax charge in respect of previous periods	-	4,532
Current tax charge for period	<u>-</u>	<u>4,532</u>

Bell Choice Limited

Notes to the financial statements for the year ended 31 March 2006

..... continued

8. Tangible fixed assets	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2005	5,767	49,113	32,028	86,908
Additions	761	959	-	1,720
Disposals	-	-	(13,331)	(13,331)
At 31 March 2006	6,528	50,072	18,697	75,297
Depreciation				
At 1 April 2005	3,956	7,864	6,294	18,114
On disposals	-	-	(1,832)	(1,832)
Charge for the year	826	9,172	4,887	14,885
At 31 March 2006	4,782	17,036	9,349	31,167
Net book values				
At 31 March 2006	1,746	33,036	9,348	44,130
At 31 March 2005	1,811	41,249	25,734	68,794

Included within the net book value of £44,130 is £36,756 (2005 - £47,430) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £10,674 (2005 - £8,174)

9. Stocks	2006	2005
	£	£
Finished goods and goods for resale	93,319	72,134
	<u>93,319</u>	<u>72,134</u>
10. Debtors	2006	2005
	£	£
Trade debtors	1,024,177	703,614
Amounts owed by group undertakings	106,835	-
Other debtors	61,291	49,883
Prepayments and accrued income	7,655	8,972
	<u>1,199,958</u>	<u>762,469</u>

Bell Choice Limited

Notes to the financial statements for the year ended 31 March 2006

..... continued

11. Creditors: amounts falling due within one year	2006 £	2005 £
Bank overdraft	195,214	113,746
Net obligations under finance leases and hire purchase contracts	15,040	13,692
Trade creditors	727,349	131,924
Amounts owed to group undertaking	3,643	290,915
Other taxes and social security costs	42,726	37,650
Other creditors	504	1,003
Accruals and deferred income	3,000	14,983
	<u>987,476</u>	<u>603,913</u>
<p>Mr A Bell and Mr J Surroy have given personal guarantees to the bank for the company's facilities, limited to £100,000</p> <p>The bank overdraft is secured on a fixed and floating charge over the company's assets.</p>		
12. Creditors: amounts falling due after more than one year	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	<u>14,304</u>	<u>28,278</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	(15,040)	(13,692)
Repayable between one and five years	(14,304)	(28,278)
	<u>(29,344)</u>	<u>(41,970)</u>
13. Share capital	2006 £	2005 £
Authorised equity		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Bell Choice Limited

**Notes to the financial statements
for the year ended 31 March 2006**

..... continued

14. Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the year	65,190	50,795
Opening shareholders' funds	271,675	220,880
Closing shareholders' funds	<u>336,865</u>	<u>271,675</u>

15. Financial commitments

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006	2005
	£	£
Expiry date:		
Within one year	-	46,500
Between one and five years	42,000	-
	<u>42,000</u>	<u>46,500</u>

16. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2006	2005	in year
	£	£	£
John Surroy	3,000	3,000	3,000

Bell Choice Limited

**Notes to the financial statements
for the year ended 31 March 2006**

..... continued

17. Related party transactions

The company made sales to its parent company Bellhire PLC of £2,794 and purchased and hire vehicles to the value of £2,654,688 (2005 - 2,506,438). At the year end Bellhire PLC owed the company £101,487.

The company made sales of £715 to Auto Belle Limited and purchases of £18,264. At the end of the year the company owed Auto Belle Limited £2,703.

The company was owed £3,000 (2005 - £3000) by Mr J Surroy, a director of the company.

The company was charged rent of £42,000 (£46,500) by Bellholdings, a partnership controlled by Adrian Bell. Bellholdings also provided management charges to the value of £21,000 (2005 - £21,000)

Mr A Bell and Mr J Surroy have given a personal guarantee to the bank for the company's facilities, limited to £100,000.

18. Ultimate parent undertaking

The ultimate parent company is Bellhire PLC, a company registered in England

19. Controlling interest

The ultimate controlling party is Adrian Bell as majority shareholder of the ultimate holding company

Bell Choice Limited

Notes to the financial statements for the year ended 31 March 2006

..... continued

20. Gross cash flows

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	-	225
Interest paid	(5,008)	(2,937)
	<u>(5,008)</u>	<u>(2,712)</u>
Taxation		
Corporation tax paid	-	(10,282)
	<u>-</u>	<u>(10,282)</u>
Capital expenditure		
Payments to acquire tangible assets	(372)	(70,471)
Receipts from sales of tangible assets	-	5,033
	<u>(372)</u>	<u>(65,438)</u>
Financing		
Capital element of finance leases and hire purchase contracts	(13,974)	(8,837)
	<u>(13,974)</u>	<u>(8,837)</u>

21. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	469	769		1,238
Overdrafts	(113,746)	(81,468)		(195,214)
	<u>(113,277)</u>	<u>(80,699)</u>		<u>(193,976)</u>
Finance leases and hire purchase contracts	(41,970)	13,974	(1,348)	(29,344)
Net funds	<u>(155,247)</u>	<u>(66,725)</u>	<u>(1,348)</u>	<u>(223,320)</u>