LFPV LIMITED

FINANCIAL STATEMENTS

31ST MARCH 2006

COMPANY NO. 4138030

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LFPV LIMITED

DIRECTORS' REPORT

The directors present their annual report and the accounts for the year ended 31st March 2006.

PRINCIPAL ACTIVITY & REVIEW OF BUSINESS

The principal activities of the company are the distribution and export of motor vehicles and related spare parts. The Company is engaged in the supply of Land Rover and Ford project vehicles to a variety of customers around the world.

During this first full year of trading following acquisition of the Company by Conrico International Limited the directors are pleased to report a year of profitable trading. Gross profit has improved from 6.8% to 12.8% due to a richer mix of business.

It is envisaged that turnover will increase in the current year and that a further increase in profitability will result as the benefits of the franchise relationships with Land Rover and Ford strengthen.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instuments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk
The company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases worldwide. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk
The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Liquidity risk
The company has no long-term or short-term debt finance, therefore has no exposure to liquidity risk.

Interest rate risk
The company has interest bearing assets. Interest bearing assets include only cash balances which earn interest at the prevailing rate.

RESULTS FOR THE YEAR AND DIVIDENDS

The profit for the year after taxation was £222,833 (2005: Loss of £733,173).
The directors do not recommend the payment of a dividend.

LFPV LIMITED

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year, and their interests in the share capital of the company at 31st March 2006 were:

	Ordinary shares	
	31/03/06	31/03/05
	No.	No.
J.M. Benzimra (deceased 22nd January 2006)	-	-
P. Benzimra	-	-
A.P.W. Durrant	-	-
D.M. Selden FCA	-	-

No director had the right to subscribe for shares or debentures in the company during the year. Directors' shareholdings and right to subscribe for shares in the parent company are disclosed in the accounts of that company.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each director of the company has confirmed that in fulfilling their duties as a director they have
-taken all necessary steps to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant information of which the auditors have not been made aware.

AUDITORS

After the year end our auditors, Nexia Audit Limited changed their name to Nexia Smith and Williamson Audit Limited and now trade as Nexia Smith & Williamson. A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these accounts, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;

state whether applicable Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.

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 accounts 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.

Fishers House,
Portsmouth Road,
Ripley,
Surrey.
16 AUGUST 2006

By order of the Board

P. Benzimra
Company Secretary

Nexia Smith & Williamson

Independent auditors report to the shareholders of LFPV Limited

We have audited the accounts of LFPV Limited for the year ended 31st March 2006 which comprise the profit and loss account, the balance sheet, the cashflow statement and the related notes 1 to 18 and A to C. These accounts have been prepared under the historical cost convention and 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 auditor's 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We read the information contained within the Directors' Report and consider whether it is consistent with the audited accounts. Our responsibilities do not extend to any other information.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We state in our report whether in our opinion the information given in the Directors' Report is consistent with the accounts. 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts 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 31st March 2006 and of its profit for the year then ended; the accounts have been properly prepared in accordance with the Companies Act 1985; and the information given in the Directors' Report is consistent with the accounts.

Nexia Smith & Williamson

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors

1 Bishops Wharf
Walnut Tree Close
Guildford
Surrey
GU1 4RA

Date 17th August 2006

LFPV LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2006

	Note	12mths to 31/03/06 £	15mths to 31/03/05 £
TURNOVER	2	8,793,977	14,796,467
Cost of sales		(7,669,770)	(13,789,727)
GROSS PROFIT		1,124,207	1,006,740
Administrative expenses		(904,896)	(1,588,063)
OPERATING PROFIT / (LOSS)	3	219,311	(581,323)
Interest receivable		7,974	5,414
Interest payable and similar charges	4	(3,350)	(157,264)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		223,935	(733,173)
Taxation on profit / (loss) on ordinary activities	7	(1,102)	0
RETAINED PROFIT / (LOSS) FOR THE YEAR	13	222,833	(733,173)

All of the company's operations are classed as continuing.
A statement of the movement on shareholders funds appears as note 15 to the accounts.
The company had no recognised gains or losses other than the result stated above.

LFPV LIMITED

BALANCE SHEET

31ST MARCH 2006

	Note	31/03/06 £	31/03/05 £
FIXED ASSETS			
Tangible assets	8	2,156	38,651
		2,156	38,651
CURRENT ASSETS			
Stock	9	3,003,141	1,103,975
Debtors	10	2,179,905	1,473,854
Cash at bank and in hand		93,151	182,081
		5,276,197	2,759,910
CREDITORS: amounts falling due within one year	11	(5,825,915)	(3,568,956)
NET CURRENT LIABILITIES		(549,718)	(809,046)
		(547,562)	(770,395)
CAPITAL AND RESERVES			
Called up share capital	12	850,000	850,000
Profit and loss account	13	(1,397,562)	(1,620,395)
EQUITY SHAREHOLDERS' FUNDS		(547,562)	(770,395)

These accounts were approved by the Board of Directors on 16th August 2006.

P. Benzimra Director

D.M. Selden FCA Director

LFPV LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2006

	Note	12mths to 31/03/06 £	15mths to 31/03/05 £
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	A	(122,634)	2,100,240
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(3,350)	(157,264)
Interest received		7,974	5,414
NET CASH INFLOW / (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		4,624	(151,850)
TAXATION			
U. K. Corporation tax paid		0	0
TAXATION PAID		0	0
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(789)	(3,527)
Receipts from sales of tangible fixed assets		29,869	40,491
NET CASH INFLOW FROM CAPITAL EXPENDITURE		29,080	36,964
NET CASH (OUTFLOW) / INFLOW BEFORE FINANCING		(88,930)	1,985,354
NET CASH (OUTFLOW) / INFLOW	B/C	(88,930)	1,985,354

See notes to cashflow statement on page 12.

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2006

1. ACCOUNTING POLICIES

1.1 Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

1.2 Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures and fittings	25% Straight line
Computer equipment	25% Straight line
Motor vehicles	25% Straight line

1.3 Stock

Stock is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

1.4 Deferred taxation

Deferred taxation is provided on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

1.5 Foreign exchange

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date unless such balances are covered by a forward contract in which case the contracted rate has been used. Transactions in foreign currencies are translated monthly at a rate fixed at the end of the month in question. Foreign exchange differences have been charged to the profit and loss account.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

1.7 Operating lease rentals

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

2. TURNOVER

Turnover is stated net of VAT and after trade discounts. The company carries on only one class of business. Geographical analysis of turnover is not given.

Turnover and associated costs are recognised when a product is invoiced and available for despatch.

		12mths to 31/03/06	15mths to 31/03/05
3.	OPERATING PROFIT / (LOSS)	£	£
	The operating profit / (loss) is stated after charging/(crediting):		
	Depreciation	10,926	93,033
	(Profit) / loss on sale of fixed assets	(3,511)	5,240
	Staff costs (note 5)	0	644,628
	Auditors' remuneration	12,000	8,750
	Amounts paid to related companies of the Auditors - non audit	2,845	0
	Foreign exchange differences	201,999	74,928
	Operating lease rentals - Land and Buildings	0	126,912
4.	INTEREST PAYABLE		
	On bank loans and overdrafts	0	157,264
	On other sums	3,350	0
		3,350	157,264
5.	DIRECTORS AND EMPLOYEES		
	Staff costs:		
	Wages and salaries	0	574,376
	Social security costs	0	51,112
	Other pension costs	0	19,140
		0	644,628
	The average number of employees during the year was made up as follows:	No.	No.
	Management and administration	0	14
	Workshop	0	1
		0	15

The company has contributed to employees individual pension schemes; total pension costs paid for the period were £ NIL (2005: £19,140). There were no outstanding contributions at the balance sheet date. Staff costs are covered by the holding company and recharged by way of a monthly management charge.

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2006

6. DIRECTORS AND EMPLOYEES cont.

Directors' emoluments	12mths to 31/03/06 £	15mths to 31/03/05 £
Remuneration including benefits in kind	0	176,888

No directors received remuneration from the company during the year. Details of remuneration paid by the holding company are disclosed in the accounts of that company.
No directors are accruing retirement benefits

7. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

a. Analysis of charge in year

U. K. corporation tax at 30% based on the profits for the year	1,102	0
	1,102	0

b. Factors affecting tax charge for year
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%)
The differences are explained below:

Profit / (loss) on ordinary activities before tax	223,935	(733,173)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	67,181	(219,952)
Depreciation in excess of capital allowances	1,571	27,910
Loss on disposal of fixed assets	0	1,572
Fixed asset profit on disposal in excess of balancing charge	(759)	0
Expenses not deductible for tax purposes	3,578	31,026
Marginal rate relief adjustment	(652)	0
Losses utilised	(69,817)	0
Tax losses carried forward	0	159,444
Current tax charge for year (note 7 (a))	1,102	0

c. Factors that may affect future tax charges
The company has tax losses of approximately £881,837 (2005: £1,152,528) to carry forward and offset against future profits from the same trade. This has not been recognised in the financial statements.

d. Deferred tax
No provision has been made in these accounts for a potential deferred tax asset of £290,397 (2005:£345,758) resulting from the excess of depreciation over accelerated capital allowances. A deferred tax asset would only be recognised where there is reasonable certainty that the company will be able to claim capital allowances in excess of depreciation in the future or where a balancing allowance would arise on the disposal of the asset and where there is reasonable certainty that suitable taxable profits will be generated in the foreseeable future.

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2006

8. TANGIBLE FIXED ASSETS

	Fixtures fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost:				
At 1st April 2005	108,527	80,759	53,307	242,593
Additions	789	0	0	789
Disposals	0	0	(53,307)	(53,307)
At 31st March 2006	109,316	80,759	0	190,075
Depreciation:				
At 1st April 2005	100,618	78,013	25,311	203,942
Charge for period	7,812	1,476	1,638	10,926
On disposals	0	0	(26,949)	(26,949)
At 31st March 2006	108,430	79,489	0	187,919
Net book value:				
At 31st March 2006	886	1,270	0	2,156
At 31st March 2005	7,909	2,746	27,996	38,651

9. STOCKS	31/03/06 £	31/03/05 £
Vehicles	2,958,611	1,103,975
Parts	44,530	0
	3,003,141	1,103,975

10. DEBTORS

	31/03/06 £	31/03/05 £
Trade debtors	2,147,786	1,306,892
Other debtors	32,119	153,726
Prepayments and accrued income	0	13,236
	2,179,905	1,473,854

11. CREDITORS: amounts falling due within one year

	31/03/06 £	31/03/05 £
Trade creditors	2,973,022	1,589,008
Amounts owed to group undertakings	2,196,539	1,625,267
Payments on account	79,262	65,375
Other taxes and social security costs	1,102	6,584
Other creditors	163,227	138,586
Accruals and deferred income	412,763	144,136
	5,825,915	3,568,956

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2006

		31/03/06	31/03/05
12.	SHARE CAPITAL	£	£
	Authorised:		
	1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	Allotted, called up and fully paid:		
	850,000 Ordinary shares of £1 each	850,000	850,000

		12mths to	15mths to
13.	PROFIT AND LOSS ACCOUNT	31/03/06	31/03/05
	Retained losses at 1st April 2005	(1,620,395)	(887,222)
	Profit / (loss) for the year	222,833	(733,173)
	Retained losses at 31st March 2006	(1,397,562)	(1,620,395)

14. CONTINGENT LIABILITIES

The company has a contingent liability in respect of retention guarantees, performance and tender bonds amounting to £24,068 (2005 : £ NIL) on transactions carried out up to 31st March 2006.

The following guarantees have been given by the company's parent, Conrico International Limited:

Guarantee Limited to £500,000 to the company's banker
Unlimited guarantee to Land Rover
Unlimited guarantee to Ford Credit

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Profit / (loss) for the financial year	222,833	(733,173)
Shareholders' funds at 1st April 2005	(770,395)	(37,222)
Shareholders' funds at 31st March 2006	(547,562)	(770,395)

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by financial reporting standard number 8: Related party transactions, and has not disclosed transactions with fellow group undertakings, where more than 90% of the voting rights are controlled within the group.

17. ULTIMATE HOLDING COMPANY

The ultimate holding company is Conrico Overseas Inc., a company incorporated in Liberia.

18. PARENT UNDERTAKING

The immediate parent undertaking is Conrico International Limited. Consolidated accounts for the group are prepared and filed and can be obtained from Companies House.

LFPV LIMITED

NOTES TO THE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2006

	12mths to 31/03/06 £	15mths to 31/03/05 £
A. RECONCILIATION OF OPERATING PROFIT / (LOSS) TO NET CASH (OUTLOW)/INFLOW FROM OPERATING ACTIVITIES		
Operating profit / (loss)	219,311	(581,323)
Depreciation charges	10,926	93,033
(Profit) / loss on sale of tangible fixed assets	(3,511)	5,240
(Increase) / decrease in stock	(1,899,166)	308,347
(Increase) / decrease in debtors	(706,051)	958,263
Increase in creditors	2,255,857	1,316,680
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	(122,634)	2,100,240
B. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS		
(Decrease) / increase in cash in the year	(88,930)	1,985,354
Net funds at 1st April 2005	182,081	(1,803,273)
Net funds at 31st March 2006	93,151	182,081

C. ANALYSIS OF CHANGES IN NET FUNDS

	At 01.04.05 £	Cashflows £	At 31.03.06 £
Cash at bank and in hand	182,081	(88,930)	93,151
TOTAL	182,081	(88,930)	93,151

LFPV LIMITED

ANALYSIS OF EXPENSES

FOR THE YEAR ENDED 31ST MARCH 2006	12mths to 31/03/06 £	15mths to 31/03/05 £
ADMINISTRATIVE EXPENSES		
Establishment:		
Rent	(1,377)	126,912
Rates	(1,112)	2,667
Repairs and maintenance	10,753	23,371
Insurance	(5,174)	30,803
Light and heat	0	0
	3,090	183,753
Administration:		
Wages and salaries	(2,546)	644,628
Management charge	600,000	0
Staff training	577	3,033
Telephone, telex and postage	8,494	8,160
Advertising	8,945	52,384
Office supplies and consumables	402	14,397
Computer costs	3,628	45,402
Motor expenses	7,708	20,634
Travelling	30,426	67,207
Entertaining	1,926	4,431
Audit and taxation	14,845	10,000
Distribution costs	0	0
Professional fees	684	271,526
Recruitment fees	3,550	4,451
Subscriptions	1,881	1,123
Sundry expenses	2,424	5,878
(Profit) / loss on disposal of fixed assets	(3,511)	5,240
Depreciation	10,926	93,033
	690,359	1,251,527
Finance:		
Bank charges	7,757	27,214
Foreign exchange differences	201,999	74,928
Bad debts	1,691	50,641
	211,447	152,783
	904,896	1,588,063