

LFPV LIMITED  
FINANCIAL STATEMENTS  
31ST MARCH 2005  
COMPANY NO. 4138030



## LFPV LIMITED

### DIRECTORS' REPORT

The directors present their annual report and the accounts for the 15 month period ended 31st March 2005.

#### 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.

On 31st December 2004, the company was acquired by Conrico International Limited. The directors are not satisfied with the results of the company and, under new ownership, anticipate that the company's future trading prospects will improve with a return to profitability anticipated in the current financial year.

#### RESULTS AND DIVIDENDS

After providing for taxation, the loss for the period amounted to £733,173.  
The directors do not recommend the payment of a dividend.

#### DIRECTORS

The directors who served during the period and their interests in the share capital of the company at the beginning and end of the year were as follows:

		Ordinary shares	
		31/03/05	31/12/03
		No.	No.
J.M. Benzimra	appointed 31st December 2004 (deceased 22nd January 2006)	-	-
P. Benzimra	appointed 31st December 2004	-	-
A.P.W. Durrant	appointed 31st December 2004	-	-
D.M. Selden FCA	appointed 31st December 2004	-	-
C. Haar	resigned 31st December 2004	-	-
P. Barklin	resigned 31st December 2004	-	-
N. Johnson	resigned 31st December 2004	-	-
M. Frederiksen	resigned 31st December 2004	-	-

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

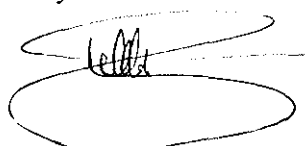
#### AUDITORS

The auditors, Nexia Audit Limited, were appointed following the acquisition of the company and have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

Fishers House,  
Portsmouth Road,  
Ripley,  
Surrey.

30th January 2006

By order of the Board



D.M. Selden FCA  
Director

LFPV LIMITED

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.

# Nexia Audit

— · Limited · —

## **Independent auditors report to the shareholders of LFPV Limited**

We have audited the accounts of LFPV Limited for the period ended 31st March 2005 which comprise the profit and loss account, the balance sheet, the cashflow statement and the related notes 1 to 17 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. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

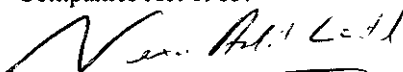
## **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the company's affairs at 31st March 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Nexia Audit Limited**  
**Chartered Accountants**  
**Registered Auditors**

**30 January 2006**

**1 Bishops Wharf**  
**Walnut Tree Close**  
**Guildford**  
**Surrey**  
**GU1 4RA**

LFPV INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST MARCH 2005

	Note	15mths to 31/03/05 £	12mths to 31/12/03 £
TURNOVER	2	14,796,467	11,946,732
Cost of sales		(13,789,727)	(10,864,579)
GROSS PROFIT		1,006,740	1,082,153
Administrative expenses		(1,588,063)	(1,054,639)
OPERATING (LOSS)/PROFIT	3	(581,323)	27,514
Interest receivable		5,414	11
Interest payable and similar charges	4	(157,264)	(159,248)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(733,173)	(131,723)
Taxation on profit on ordinary activities	7	0	0
LOSS FOR PERIOD		(733,173)	(131,723)

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 loss stated above.

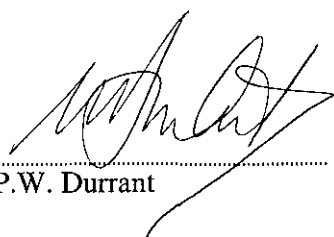
LFPV LIMITED

BALANCE SHEET

31ST DECEMBER 2005

	Note	31/03/05 £	31/12/03 £
<b>FIXED ASSETS</b>			
Tangible assets	8	<u>38,651</u>	<u>173,888</u>
		38,651	173,888
<b>CURRENT ASSETS</b>			
Stock	9	1,103,975	1,412,322
Debtors	10	1,473,854	2,432,117
Cash at bank and in hand		182,081	1,932
		<u>2,759,910</u>	<u>3,846,371</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(3,568,956)</u>	<u>(4,057,481)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(809,046)</u>	<u>(211,110)</u>
		<u>(770,395)</u>	<u>(37,222)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	850,000	850,000
Profit and loss account	13	(1,620,395)	(887,222)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>(770,395)</u>	<u>(37,222)</u>

These accounts were approved by the Board of Directors on 30th January 2006.

  
.....  
A.P.W. Durrant Director

  
.....  
D.M. Selden FCA Director

LFPV LIMITEDCASHFLOW STATEMENTFOR THE PERIOD ENDED 31ST MARCH 2005

	Note	15mths to 31/03/05 £	12mths to 31/12/03 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	2,100,240	253,896
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(157,264)	(159,248)
Interest received		5,414	11
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(151,850)</u>	<u>(159,237)</u>
TAXATION			
U. K. Corporation tax paid		0	0
U. K. Corporation tax recovered		0	0
TAXATION PAID		<u>0</u>	<u>0</u>
CAPITAL EXPENDITURE			
Payments to acquire tangible and intangible fixed assets		(3,527)	(52,040)
Receipts from sales of tangible fixed assets		40,491	0
NET CASH INFLOW / (OUTFLOW) FROM CAPITAL EXPENDITURE		<u>36,964</u>	<u>(52,040)</u>
NET CASH INFLOW BEFORE FINANCING		<u>1,985,354</u>	<u>42,619</u>
NET CASH INFLOW	B/C	<u>1,985,354</u>	<u>42,619</u>

See notes to cashflow statement on page 13.

# LFPV LIMITED

## NOTES TO THE ACCOUNTS

31ST MARCH 2005

### 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	20% Straight line
Computer equipment	33% Straight line
Motor vehicles	20% Straight line

#### 1.3 Stocks

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 delivered.



LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

	15mths to 31/03/05 £	12mths to 31/12/03 £
3. OPERATING (LOSS) / PROFIT		
The operating (loss) / profit is stated after charging/(crediting):		
Depreciation	93,033	72,872
Loss on sale of fixed assets	5,240	0
Staff costs (note 5)	644,628	596,801
Auditors' remuneration	8,750	13,000
Amounts paid to related companies of the Auditors - non audit	0	2,250
Foreign exchange differences	74,928	(46,412)
Operating lease rentals - Land and Buildings	<u>126,912</u>	<u>70,250</u>
4. INTEREST PAYABLE		
On bank loans and overdrafts	157,264	141,577
On other sums	0	15,345
Payable to group undertakings	<u>0</u>	<u>2,326</u>
	<u>157,264</u>	<u>159,248</u>
5. DIRECTORS AND EMPLOYEES		
Staff costs:		
Wages and salaries	574,376	526,592
Social security costs	51,112	58,765
Other pension costs	<u>19,140</u>	<u>11,444</u>
	<u>644,628</u>	<u>596,801</u>
The average number of employees during the year was made up as follows:	No.	No.
Management and administration	14	15
Workshop	<u>1</u>	<u>2</u>
	<u>15</u>	<u>17</u>

The company contributes to employees individual pension schemes; total pension costs paid for the period were £19,140 (2003: £11,444). There were no outstanding contributions at the balance sheet date.

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

6. DIRECTORS AND EMPLOYEES cont.	15mths to 31/03/05 £	12mths to 31/12/03 £
Directors' emoluments		
Remuneration including benefits in kind	<u>176,888</u>	<u>162,106</u>

No directors are accruing retirement benefits (2003:1)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

a. Analysis of charge in period

U. K. corporation tax at 30% based on the profits  
for the year

Adjustment in respect of prior years

0	0
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>

b. Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%)

The differences are explained below:

Loss on ordinary activities before tax	<u>(733,173)</u>	<u>(131,723)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(219,952)	(39,517)
Depreciation in excess of capital allowances	27,910	4,417
Loss on disposal of fixed assets	1,572	0
Expenses not deductible for tax purposes	31,026	1,296
Group relief surrendered	0	10,022
Increase in provision	0	128
Tax losses carried forward	<u>159,444</u>	<u>23,654</u>
Current tax charge for period (note 7 (a))	<u>0</u>	<u>0</u>

c. Factors that may affect future tax charges

The company has tax losses of approximately £1,152,528 (2003: £621,048) 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 £345,758 (2003:£186,314) resulting from the excess of the depreciation over accelerated capital allowances. A deferred tax asset would only be recognised where there is reasonable certainty that the company will only 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.

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

8. TANGIBLE FIXED ASSETS

	Fixtures fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost:				
At 1st January 2004	109,419	86,277	140,092	335,788
Additions	1,160	2,367	0	3,527
Disposals	(2,052)	(7,885)	(86,785)	(96,722)
At 31st March 2005	108,527	80,759	53,307	242,593
Depreciation:				
At 1st January 2004	54,455	69,746	37,699	161,900
Charge for period	46,163	34,322	12,548	93,033
On disposals	0	(26,055)	(24,936)	(50,991)
At 31st March 2005	100,618	78,013	25,311	203,942
Net book value:				
At 31st March 2005	7,909	2,746	27,996	38,651
At 31st December 2003	54,964	16,531	102,393	173,888

	31/03/05 £	31/12/03 £
9. STOCKS		
Finished goods and goods for resale	1,103,975	1,412,322
	<u>1,103,975</u>	<u>1,412,322</u>

10. DEBTORS

Trade debtors	1,306,892	883,499
Trade debtors factored with recourse	0	566,868
Amounts owed by group undertakings	0	960,659
Other debtors	153,726	0
Prepayments and accrued income	13,236	21,091
	<u>1,473,854</u>	<u>2,432,117</u>

LFPV LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

	31/03/05 £	31/12/03 £
11. CREDITORS: amounts falling due within one year		
Bank loans and overdrafts	0	1,805,205
Trade creditors	1,589,008	1,722,011
Amounts owed to group undertakings	1,625,267	419,483
Payments on account	65,375	0
Other taxes and social security costs	6,584	74,591
Other creditors	138,586	0
Accruals and deferred income	144,136	36,191
	<u>3,568,956</u>	<u>4,057,481</u>

In 2003, bank loans and overdrafts included an amount of £81,818 which was secured by a fixed charge over the assets of the company.

12. SHARE CAPITAL

Authorised:

1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
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Allotted, called up and fully paid:

850,000 Ordinary shares of £1 each	<u>850,000</u>	<u>850,000</u>
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13. PROFIT AND LOSS ACCOUNT

	15mths to 31/03/05	12mths to 31/12/03
Retained losses at 1st January 2004	(887,222)	(755,499)
Loss for the period	<u>(733,173)</u>	<u>(131,723)</u>
Retained losses at 31st March 2005	<u>(1,620,395)</u>	<u>(887,222)</u>

14. CONTINGENT LIABILITIES

The company has a contingent liability in respect of retention guarantees, performance and tender bonds amounting to NIL (2003 : £19,000) on transactions carried out up to 31st March 2005.

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Loss for the financial period	(733,173)	(131,723)
Shareholders' funds at 1st January 2004	(37,222)	94,501
Shareholders' funds at 31st March 2005	<u>(770,395)</u>	<u>(37,222)</u>

## LFPV LIMITED

### NOTES TO THE ACCOUNTS

#### 31ST MARCH 2005

#### 16. RELATED PARTY TRANSACTIONS

In 2003, the company loaned money to C. Haar a director until 31st December 2004. The maximum balance outstanding during the period was £Nil (2003: £121,491). There were no amounts outstanding at the end of either period.

During the year ended 31st December 2004, the company met expenditure amounting to £1,043 on behalf of C. Haar. All such expenditure was reimbursed prior to 31st March 2005.

During the year ended 31st December 2004, the company sold goods to fellow subsidiary undertakings as follows:

- Bukkehave A/S	£880,963
- Bukkehave Inc.	£173,955

No balances in respect of these transactions remained outstanding as at 31st March 2005.

In the same period, the company purchased goods from fellow subsidiary undertakings as follows:

- LFPV Inc.	£13,519
- Bukkehave A/S	£14,709

No balances in respect of these transactions remained outstanding as at 31st March 2005.

In addition, the company made commission payments totalling £22,435 to No Lemon Limited, a fellow subsidiary undertaking and paid management fees and other charges totalling £156,769 to Bukkehave A/S. As at 31st March 2005, £16,722 was owed to Bukkehave A/S.

Expenditure amounting to £32,146 was recharged to Extend Reach Corporation A/S, the immediate parent undertaking, during the year to 31st December 2004. No amounts were due in respect of transactions with the former parent company as at 31st March 2005.

During the 3 months to 31 March 2005 the company received working capital advances from its parent company totalling £2,185,435. The outstanding balance due to the parent company at the year end was £1,625,267. This balance is unsecured, interest free and repayable on demand. In addition the company purchased goods to a value of £43,581 from Conrico International Limited during the period, the outstanding balance in respect of these purchases at 31 March 2005 was £51,031. The company has sold goods to Conrico International Limited with a value of £79,298 during the period. The outstanding balance in respect of these sales was £79,585 as at 31 March 2005.

#### 17. ULTIMATE HOLDING COMPANY

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

LFPV LIMITEDNOTES TO THE CASHFLOW STATEMENTFOR THE PERIOD ENDED 31ST MARCH 2005

	15mths to 31/03/05 £	12mths to 31/12/03 £	
A. RECONCILIATION OF OPERATING (LOSS) / PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES ACTIVITIES			
Operating (loss) / profit	(581,323)	27,514	
Depreciation charges	93,033	72,872	
Loss on sale of tangible fixed assets	5,240	0	
Decrease in stock	308,347	587,841	
Decrease in debtors	958,263	797,564	
Increase / (decrease) in creditors	1,316,680	(1,231,895)	
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>2,100,240</u>	<u>253,896</u>	
B. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS			
Increase in cash in the period	1,985,354	42,619	
Net funds at 1st January 2004	(1,803,273)	(1,845,892)	
Net funds at 31st March 2005	<u>182,081</u>	<u>(1,803,273)</u>	
C. ANALYSIS OF CHANGES IN NET FUNDS			
	At 01.01.04 £	Cashflows £	At 31.03.05 £
Cash at bank and in hand	1,932	180,149	182,081
Bank overdraft	(1,805,205)	1,805,205	0
TOTAL	<u>(1,803,273)</u>	<u>1,985,354</u>	<u>182,081</u>