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Registration number 04785110

Carter Horsley Holdings Limited
Abbreviated consolidated accounts
for the year ended 31 December 2006

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Carter Horsley Holdings Limited

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Carter Horsley Holdings Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the accounts for the year ended 31 December 2006

Principal activity and review of the business

The principal activity of the company was that of wholesalers and retailers of motor vehicle wheels and tyres

Results and dividends

The results for the year are set out on page 4

The directors have paid an interim dividend amounting to £33,100 and they do not recommend payment of a final dividend

Directors and their interests

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

	Class of share	31/12/06	01/01/06
S Horsley	Ordinary A shares	100,000	100,000
	Ordinary B shares	300,000	300,000

Directors' responsibilities

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

Company law requires the directors to prepare accounts 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 directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 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

Disclosure of information to auditors

So far as the directors at the date of approval of this report are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Carter Horsley Holdings Limited
Directors' report
for the year ended 31 December 2006

. continued

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Thomas David be reappointed as auditors of the company will be put to the Annual General Meeting

Small company special provisions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

This report was approved by the Board on 15 October 2007 and signed on its behalf by

S Horsley
Director

A handwritten signature in black ink, appearing to read 'S Horsley', written over a horizontal line.

**Independent auditors' report to Carter Horsley Holdings Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of Carter Horsley Holdings Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B 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 directors and auditors

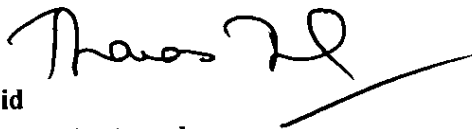
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2006, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



**Thomas David
Chartered Accountants and
Registered Auditors**

26 October 2007

**6-7 Castle Gate
Castle Street
Hertford
Herts
SG14 1HD**

Carter Horsley Holdings Limited

**Abbreviated consolidated profit and loss account
for the year ended 31 December 2006**

		Continuing operations	
		2006	2005
	Notes	£	£
Gross profit		2,909,081	3,261,832
Administrative expenses		(2,439,769)	(2,609,779)
Operating profit	2	<u>469,312</u>	<u>652,053</u>
Other interest receivable and similar income	3	2,559	527
Interest payable and similar charges	4	<u>(140,541)</u>	<u>(157,971)</u>
Profit on ordinary activities before taxation		331,330	494,609
Tax on profit on ordinary activities	7	<u>(120,706)</u>	<u>(146,003)</u>
Profit on ordinary activities after taxation		210,624	348,606
Dividends	8	<u>(33,100)</u>	-
Retained profit for the year		<u><u>177,524</u></u>	<u><u>348,606</u></u>

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

The notes on pages 7 to 16 form an integral part of these consolidated financial statements.

Carter Horsley Holdings Limited

**Abbreviated consolidated balance sheet
as at 31 December 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		2,562,595		2,655,060
Investments	10		477,480		949,915
			<u>3,040,075</u>		<u>3,604,975</u>
Current assets					
Stocks	11	3,121,787		2,611,581	
Debtors	12	2,397,207		1,896,387	
Cash at bank and in hand		943,681		433,676	
		<u>6,462,675</u>		<u>4,941,644</u>	
Creditors: amounts falling due within one year	13	(4,162,916)		(3,367,627)	
Net current assets			<u>2,299,759</u>		<u>1,574,017</u>
Total assets less current liabilities			5,339,834		5,178,992
Creditors: amounts falling due after more than one year	14		(463,733)		(518,471)
Provisions for liabilities and charges	15		(38,056)		-
Net assets			<u>4,838,045</u>		<u>4,660,521</u>
Capital and reserves					
Called up share capital	17		400,000		400,000
Profit and loss account	18		4,438,045		4,260,521
Shareholders' funds	19		<u>4,838,045</u>		<u>4,660,521</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies)

The abbreviated accounts were approved by the Board on 15 October 2007 and signed on its behalf by

S Horsley
Director



The notes on pages 7 to 16 form an integral part of these consolidated financial statements.

Carter Horsley Holdings Limited

**Consolidated cash flow statement
for the year ended 31 December 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		469,312	652,053
Depreciation		97,015	124,741
(Increase) in stocks		(510,206)	394,105
(Increase) in debtors		(500,820)	227,051
(Decrease) in creditors		(177,893)	(291,691)
Net cash outflow from operating activities		<u>(622,592)</u>	<u>1,106,259</u>
Cash flow statement			
Net cash outflow from operating activities		(622,592)	1,106,259
Returns on investments and servicing of finance	21	(137,982)	(157,444)
Taxation	21	(146,002)	(163,314)
Capital expenditure and financial investment	21	426,925	(29,343)
		(479,651)	756,158
Equity dividends paid		(33,100)	-
		(512,751)	756,158
Financing	21	(316,966)	(194,358)
Decrease in cash in the year		<u>(829,717)</u>	<u>561,800</u>
Reconciliation of net cash flow to movement in net debt (Note 22)			
Decrease in cash in the year		(829,717)	561,800
Cash outflow from increase in debts and lease financing		316,966	194,358
Change in net debt resulting from cash flows		(512,751)	756,158
Net debt at 1 January 2006		<u>(1,382,546)</u>	<u>(2,138,704)</u>
Net debt at 31 December 2006		<u>(1,895,297)</u>	<u>(1,382,546)</u>

Carter Horsley Holdings Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention

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

Land and buildings	-	Straight line over fifty years
Plant and machinery	-	30% reducing balance
Computer equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Improvements to property	-	15% reducing balance

1.4. Investment properties

In accordance with SSAP19 "Accounting for Investment Properties" the company has not provided depreciation on its investment properties which is a departure from the requirements of the Companies Act 1985. The director considers that this breach of company legislation is necessary in order for the accounts to show a true and fair view. The effect on the financial statements of the failure to depreciate investment properties is an increase in the profit for the year of £102 (2005 - £18,998) and in the value of assets held in the balance sheet of £19,100 (2005 - £18,998)

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.6. Stock

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

1.7. Pensions

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

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

2. Operating profit	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	133,317	146,361
Loss on foreign currencies	40,960	-
Auditors' remuneration	12,000	15,263
	<u> </u>	<u> </u>
and after crediting.		
Profit on disposal of tangible fixed assets	36,302	21,620
	<u> </u>	<u> </u>
 3. Interest receivable and similar income	 2006	 2005
	£	£
Bank interest	2,559	527
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2006	 2005
	£	£
Interest payable on loans within 1 year	140,541	157,971
	<u> </u>	<u> </u>
 5. Employees		
Number of employees	2006	2005
The average monthly numbers of employees (including the directors) during the year were		
Warehouse	26	28
Administration	13	14
Sales	18	20
	<u> </u>	<u> </u>
	57	62
	<u> </u>	<u> </u>
 Employment costs	 2006	 2005
	£	£
Wages and salaries	1,347,324	1,464,241
Other pension costs	-	2,000
	<u> </u>	<u> </u>
	1,347,324	1,466,241
	<u> </u>	<u> </u>

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

. continued

5.1. Directors' emoluments	2006	2005
	£	£
Remuneration and other emoluments	92,380	82,380
Pension contributions	-	2,000
	<u>92,380</u>	<u>84,380</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £- (2005 - £2,000)

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

. continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax	82,650	146,003
Total current tax charge	<u>82,650</u>	<u>146,003</u>
Deferred tax		
Timing differences, origination and reversal	38,056	-
Total deferred tax	<u>38,056</u>	<u>-</u>
Tax on profit on ordinary activities	<u><u>120,706</u></u>	<u><u>146,003</u></u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent) The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>331,330</u>	<u>494,609</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2005 30%)	99,399	148,383
Effects of:		
Expenses not deductible for tax purposes	1,248	1,938
Capital allowances for period in excess of depreciation	1,400	1,787
Utilisation of tax losses	(1,146)	528
Marginal relief	(18,251)	(6,633)
Current tax charge for period	<u><u>82,650</u></u>	<u><u>146,003</u></u>

8. Dividends

	2006 £	2005 £
Dividends on equity shares:		
Ordinary B shares - interim paid	<u>33,100</u>	<u>-</u>
	<u><u>33,100</u></u>	<u><u>-</u></u>

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

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9. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Computer equipment £	Motor vehicles £	Improve- ments to property £	Total £
Cost						
At 1 January 2006	2,192,635	449,697	753,661	223,877	65,536	3,685,406
Additions	-	22,698	10,153	12,600	3,106	48,557
Disposals	-	-	-	(25,718)	-	(25,718)
At 31 December 2006	<u>2,192,635</u>	<u>472,395</u>	<u>763,814</u>	<u>210,759</u>	<u>68,642</u>	<u>3,708,245</u>
Depreciation						
At 1 January 2006	28,331	392,895	484,466	114,824	9,830	1,030,346
On disposals	-	-	-	(18,013)	-	(18,013)
Charge for the year	28,331	23,849	41,902	30,413	8,822	133,317
At 31 December 2006	<u>56,662</u>	<u>416,744</u>	<u>526,368</u>	<u>127,224</u>	<u>18,652</u>	<u>1,145,650</u>
Net book values						
At 31 December 2006	<u>2,135,973</u>	<u>55,651</u>	<u>237,446</u>	<u>83,535</u>	<u>49,990</u>	<u>2,562,595</u>
At 31 December 2005	<u>2,164,304</u>	<u>56,802</u>	<u>269,195</u>	<u>109,053</u>	<u>55,706</u>	<u>2,655,060</u>

10. Fixed asset investments

	Investment property £	Total £
Cost		
At 1 January 2006	949,915	949,915
Additions	308,598	308,598
Disposals	(740,073)	(740,073)
Revaluations	(40,960)	(40,960)
At 31 December 2006	<u>477,480</u>	<u>477,480</u>
Net book values		
At 31 December 2006	<u>477,480</u>	<u>477,480</u>
At 31 December 2005	<u>949,915</u>	<u>949,915</u>

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

11. Stocks	2006	2005
	£	£
Finished goods and goods for resale	<u>3,121,787</u>	<u>2,611,581</u>
12. Debtors	2006	2005
	£	£
Trade debtors	2,184,987	1,820,616
Amount owed by connected companies	175,124	225
Other debtors	10,266	44,281
Prepayments and accrued income	<u>26,830</u>	<u>31,265</u>
	<u>2,397,207</u>	<u>1,896,387</u>
13. Creditors: amounts falling due within one year	2006	2005
	£	£
Bank overdraft	2,241,559	942,796
Bank loan	92,727	354,955
Trade creditors	1,520,460	1,552,058
Corporation tax	82,650	146,003
Other taxes and social security costs	145,022	171,918
Directors' accounts	54	-
Other creditors	15,000	115,000
Accruals and deferred income	<u>65,444</u>	<u>84,897</u>
	<u>4,162,916</u>	<u>3,367,627</u>

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

. continued

14. Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loan	<u>463,733</u>	<u>518,471</u>
Loans		
Repayable in one year or less, or on demand (Note 13)	92,727	354,955
Repayable between one and two years	92,727	92,727
Repayable between two and five years	278,180	278,180
Repayable in five years or more	<u>92,826</u>	<u>147,564</u>
	<u>556,460</u>	<u>873,426</u>
Repayable in five years or more	<u>92,826</u>	<u>147,564</u>

The bank overdraft is secured by a debenture dated 10 November 1981

As at 31 December 2006, the bank held 5 freehold deeds for land and buildings which are owned by the company

Unit 2, Victoria Park, Coal Street, Seecroft, Leeds;
Units 10-11, Thurrock Park Way, Tilbury, Essex,
Unit A, Phase 4, New Station Way, Fishponds, Bristol,
Unit 7, Bamford Business Park, Whitehill Industrial Estate, Stockport, Cheshire, and
Unit 10, Block 11, Clydemill Grove, Cambuslang Investment Park, Cambuslang, Glasgow

15. Provisions for liabilities and charges

	Deferred taxation (Note 16) £	Total £
Movements in the year	38,056	38,056
At 31 December 2006	<u>38,056</u>	<u>38,056</u>

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

16. Provision for deferred taxation	2006	2005
	£	£
Accelerated capital allowances	<u>38,056</u>	<u>-</u>
Deferred tax charge in profit and loss account	<u>38,056</u>	
Provision at 31 December 2006	<u>38,056</u>	
 17. Share capital	 2006	 2005
	£	£
Authorised equity		
700,000 Ordinary A shares of £1 each	700,000	700,000
300,000 Ordinary B shares of £1 each	<u>300,000</u>	<u>300,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
 Allotted, called up and fully paid equity		
100,000 Ordinary A shares of £1 each	100,000	100,000
300,000 Ordinary B shares of £1 each	<u>300,000</u>	<u>300,000</u>
	<u>400,000</u>	<u>400,000</u>
 18. Equity Reserves	 Profit and loss account	 Total
	£	£
At 1 January 2006	4,260,521	4,260,521
Retained profit for the year	<u>177,524</u>	<u>177,524</u>
At 31 December 2006	<u>4,438,045</u>	<u>4,438,045</u>

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

19. Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the year	210,624	348,606
Dividends	(33,100)	-
	<u>177,524</u>	<u>348,606</u>
Opening shareholders' funds	4,660,521	4,311,915
Closing shareholders' funds	<u>4,838,045</u>	<u>4,660,521</u>

20. Related party transactions

The company purchased computer system maintenance, design and improvement services to the value of £13,355 (2005 - £12,090) from Asset 2000 Limited, a company in which Mr S Horsley has a substantial shareholding. At the year end the company owed Asset 2000 Limited £3,372 (2005 - £1,478) in respect of these services.

The company purchased goods to the value of £68,215 (2005 - £45,998) and made sales of goods and services of £46,847 (2005 - £237,097) to Motorsport Tuning Limited, a company in which Mr S Horsley is a director and has a substantial shareholding. At the year end Motorsport Tuning Limited owed the company £177,565 (2005 - £186,248) in relation to these transactions.

Carter Horsley Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

. continued

21. Gross cash flows

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	2,559	527
Interest paid	(140,541)	(157,971)
	<u>(137,982)</u>	<u>(157,444)</u>
Taxation		
Corporation tax paid	(146,002)	(163,314)
	<u>(146,002)</u>	<u>(163,314)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(48,557)	(2,353,497)
Payments to acquire investments	(308,598)	(321,814)
Receipts from sales of tangible assets	44,007	2,292,224
Receipts from sales of investments	740,073	353,744
	<u>426,925</u>	<u>(29,343)</u>
Financing		
Repayment of short term bank loan	(316,966)	(194,358)
	<u>(316,966)</u>	<u>(194,358)</u>

22. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	433,676	510,005		943,681
Overdrafts	(942,796)	(1,298,763)		(2,241,559)
	<u>(509,120)</u>	<u>(788,758)</u>		<u>(1,297,878)</u>
Debt due within one year	(354,955)	316,966	(54,738)	(92,727)
Debt due after one year	(518,471)	-	54,738	(463,733)
	<u>(873,426)</u>	<u>316,966</u>	<u>-</u>	<u>(556,460)</u>
Net funds	<u>(1,382,546)</u>	<u>(471,792)</u>	<u>-</u>	<u>(1,854,338)</u>