

Company No: 2251848
Registered in England & Wales

MOTOR MALL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28TH FEBRUARY 2006

Amending

Norman Brisk & Company
Chartered Certified Accountants
Bank Chambers
Canterbury Road
Lyminge
Nr Folkestone
Kent CT18 8HU



Tel: (01303) 863757 Fax: (01303) 863758
E-Mail: norman@nbco.co.uk

MOTOR MALL LIMITED

YEAR ENDED 28TH FEBRUARY 2006

INDEX	PAGE
Company Information	1
Director's Report	2
Accountants' Report	3
Profit & Loss Account	4
Balance Sheet	5
Notes to the Accounts	6-11
The following pages do not form part of the financial statements	
Trading and Profit and Loss Account	12

MOTOR MALL LIMITED

YEAR ENDED 28TH FEBRUARY 2006

COMPANY INFORMATION

DIRECTORS	D T Westgarth
SECRETARY	L H Westgarth
REPORTING ACCOUNTANTS	Norman Brisk & Company Bank Chambers Canterbury Road Lyminge Folkestone Kent CT18 8HU
REGISTERED OFFICE	Little Densole Farm Canterbury Road Densole Folkestone Kent CT18 7BJ
COMPANY NUMBER	2251848 Registered in England & Wales

MOTOR MALL LIMITED

The director presents his report together with the accounts of the Company for the period ended 28th February 2006.

Principal Activity

The principal activity of the Company is the sale of new and secondhand imported motor vehicles on an agency basis.

Director's Interests

All the shares in the Company are held by the group holding company – Motor Mall (Holdings) Limited. The Director's interests in the shares of the group holding company were:

	<u>5p Ordinary Shares</u>	
	<u>28-Feb-06</u>	<u>29-Feb-05</u>
D T Westgarth Esq.	1,997	1,997
Mrs L H M Westgarth	3	3
	<u>2,000</u>	<u>2,000</u>

In preparing the above report, the Director has taken advantage of the special provisions applicable to small companies provided by Part VII of the Companies Act 1985.

By order of the board



D T Westgarth Esq.
Director

15th July 2006

MOTOR MALL LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF MOTOR MALL LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 28th February 2006, set out on pages 4 to 8 and you consider that the company is exempt from an audit.

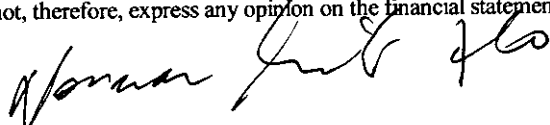
In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Association of Chartered Certified Accountants in England and Wales and have complied with the ethical guidance laid down by the Association relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 28th February 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Norman Brisk & Company
Chartered Certified Accountants

Lyminge

Norman M. Brisk FCCA

15th July 2006

MOTOR MALL LIMITED**Profit and Loss Account for the year ended 28th February 2006**

		<u>2006</u>	<u>2005</u>
	Note	£	£
TURNOVER	2(a)	1,597,195	1,188,408
Cost of sales		1,410,381	1,055,924
GROSS PROFIT		<u>186,814</u>	<u>132,484</u>
Administrative expenses		289,856	260,927
OPERATING (LOSS) FOR THE YEAR	2(b)	<u>(103,042)</u>	<u>(128,443)</u>
Other income	3	204,944	158,683
		<u>101,902</u>	<u>30,240</u>
Interest payable and similar charges	4	(19,400)	(19,157)
NET PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>82,502</u>	<u>11,083</u>
TAXATION	6	<u>(8,014)</u>	<u>(7,527)</u>
NET PROFIT/ (LOSS)FOR THE YEAR AFTER TAXATION	13	<u><u>74,488</u></u>	<u><u>3,556</u></u>

The notes on pages 7 to 12 form part of these accounts.

MOTOR MALL LIMITED

Balance Sheet as at 28th February 2006

	Note	<u>2006</u>	<u>2005</u>
		£	£
Fixed Assets			
Tangible assets	1,7	721,055	694,606
Current Assets			
Stock	1,8	124,881	44,800
Debtors	9	140,461	136,572
Amounts due - fellow subsidiaries	10	2,480	2,480
Amounts due - parent company	11	760	759
		<u>268,582</u>	<u>184,611</u>
Creditors: amounts falling due within 1 year			
Creditors - Amounts falling due within one year	12	421,625	293,159
Creditors - fellow subsidiaries		<u>102,993</u>	<u>138,798</u>
		<u>524,618</u>	<u>431,957</u>
Net current assets/(liabilities)		(256,036)	(247,346)
Total assets less current liabilities		465,019	447,260
Creditors: amounts falling due within 1 year			
Amounts falling due after more than one year	12	(87,459)	(144,188)
Net Assets		<u>377,560</u>	<u>303,072</u>
Capital and reserves			
Profit and loss Account	13	(170,023)	(244,511)
Called up share capital	14	14,545	14,545
Realised surplus account	15	242,137	242,137
Unrealised surplus account	16	290,901	290,901
		<u>377,560</u>	<u>303,072</u>

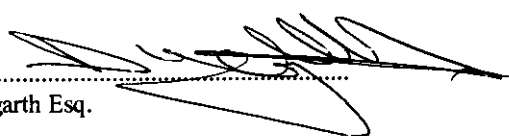
In preparing these financial statements:

- (i) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (ii) Members have not required the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985, and
- (iii) The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions conferred by Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 15/07/06


D T Westgarth Esq.
Director

15th July 2006

MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2006

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Company's financial statements are as follows:

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include Freehold Property at professional valuation.

Investment property

The Director has not provided depreciation in order that the accounts give a true and fair view.

Depreciation

Depreciation is provided on all tangible fixed assets other than on the freehold properties held as an Investment Property, at annual rates calculated to write off the cost of each asset over its expected useful life as follows:-

Freehold property	- 2% on cost of freehold buildings
Equipment, furniture & fittings	- 15% on net book value
Motor vehicles	- 25% on net book value

Turnover

Turnover comprises invoiced value excluding VAT of goods and services supplied to third parties on behalf of principals.

Stock and work in progress

Stock and work in progress have been valued at the lower of cost or net realisable value.

Deferred Taxation

No provision has been made in respect of deferred taxation arising from accelerated capital allowances as the directors do not believe a liability will crystallise.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

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

Cash Flow Statement

The director has elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2006

2(a). TURNOVER

The turnover of the Company relates to customers in the United Kingdom in respect of:-

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Agency car sales	1,597,195	1,188,408

2(b). OPERATING PROFIT/ (LOSS)

The operating losses are as follows:-

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Operating losses	(103,042)	(128,443)

3. OTHER INCOME

Other income is in respect of :

Commission arising from sales

Rents received

Management charges - fellow subsidiary company

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Commission arising from sales	131,494	84,155
Rents received	67,450	68,528
Management charges - fellow subsidiary company	6,000	6,000
	<u>204,944</u>	<u>158,683</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest Payable - Bank loans and overdrafts
and other loans repayable within five years

Hire purchase contracts

Mortgage interest

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Interest Payable - Bank loans and overdrafts and other loans repayable within five years	-	-
Hire purchase contracts	-	-
Mortgage interest	19,400	19,157
	<u>19,400</u>	<u>19,157</u>

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss) on Ordinary Activities has been arrived at after (crediting)/charging:-

Depreciation of fixed assets

Director's emoluments

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Depreciation of fixed assets	6,909	6,181
Director's emoluments	43,000	42,250

6. TAXATION

Corporation Tax - Rate: 19%

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Corporation Tax - Rate: 19%	8,014	7,527

No taxation has been provided on the unrealised surplus on the adoption of the professional valuation, as there is no imminent decision to sell the property by the director.

MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2006

7. TANGIBLE FIXED ASSETS

	Freehold Property	Equipment, Furniture & Fittings (see note)	Total
<u>Cost or Valuation</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st March 2005	704,432	32,905	737,337
Additions	25,924	7,434	33,358
(Disposals)	-	-	-
At 28 February 2006	730,356	40,339	770,695
 <u>Depreciation</u>			
At 1st March 2005	24,452	18,279	42,731
Disposal adjustments	-	-	-
Charge for year	3,600	3,309	6,909
At 28 February 2006	28,052	21,588	49,640
 <u>Net Book Value</u>			
At 28 February 2006	702,304	18,751	721,055
At 29 February 2005	679,980	14,626	694,606

Freehold Property of £81,740 included above is an Investment Property and no depreciation has been provided.

Freehold Property at Chartham has been included as at professional valuation made on 13th December 1999. This has given rise to an unrealised surplus on land of £290,901. No taxation has been provided on the unrealised surplus (see Taxation note 6).

Depreciation on the freehold buildings has been provided at 2% on cost.

MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2006

8. STOCKS & PAYMENTS IN ADVANCE FOR CARS IN TRANSIT	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Motor vehicles & spare parts	124,881	44,800
9. DEBTORS	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Trade debtors	139,719	135,327
Other debtors and prepaid	742	1,245
	<u>140,461</u>	<u>136,572</u>
10. FELLOW SUBSIDIARY COMPANIES	<u>2006</u>	<u>2005</u>
Amounts due from:	<u>£</u>	<u>£</u>
Canterbury Car Sales Limited	2,480	2,480
	<u>2,480</u>	<u>2,480</u>
11. PARENT COMPANY	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Amount due from Motor Mall (Holdings) Limited	760	759
12. CREDITORS: Amounts falling due within one year	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Mortgage repayments due within 12 months	64,591	64,591
Bank overdraft	192,056	108,862
Director's loans	-	-
Trade and other sundry creditors	108,078	62,537
Accruals	23,149	37,876
Corporation Tax	8,014	7,527
Taxation and Social Security	25,737	11,766
	<u>421,625</u>	<u>293,159</u>
CREDITORS -	<u>2006</u>	<u>2005</u>
Amounts due to Fellow Subsidiary Company	<u>£</u>	<u>£</u>
- Canterbury Service Station Limited	102,993	138,798
CREDITORS - Amounts falling due outside one year	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Amount due to Fellow Subsidiary Company - Pick-up Styling Limited	31,744	37,527
Mortgage	55,715	106,661
	<u>87,459</u>	<u>144,188</u>
Borrowings: Due within one year	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	64,591	64,591
Mortgage	64,591	64,591

MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2006

12. CREDITORS (continued)	2006 £	2005 £
<u>Borrowings: Due outside one year</u>		
<u>Wholly repayable within five years</u>		
Mortgage	55,715	106,661
<u>Wholly repayable over five years (see below)</u>		
Long Term Loan	31,744	37,527
Mortgage	64,591	64,591
	96,335	102,118
Total borrowings	152,050	208,779

Bank borrowings are secured by a first legal charge over the company's freehold properties and a debenture over the fixed and floating assets of the company. Fixed rate mortgages are repayable over seven years and the unexpired term is five years.

13. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share Capital	Realised Surplus A/c	Unrealised Surplus	Profit & Loss Account	Total
At 1 March 2005 as previously stated	14,545	242,137	290,901	(244,511)	303,072
	14,545	242,137	290,901	(244,511)	303,072
Profit for the year (after taxation)				74,488	74,488
At 28 February 2006	14,545	242,137	290,901	(170,023)	377,560

14. SHARE CAPITAL	2006 £	2005 £
<u>Authorised</u>		
50,000 Ordinary shares of £1 each	50,000	50,000
<u>Issued and Fully Paid</u>		
14,545 Ordinary shares of £1 each	14,545	14,545

15. REALISED SURPLUS ACCOUNT	2006 £	2005 £
Realised surplus brought forward	242,137	242,137
Dividend paid	-	-
Realised surplus carried forward	242,137	242,137

16. UNREALISED SURPLUS ACCOUNT	2006 £	2005 £
Unrealised surplus brought forward	290,901	290,901
Arising in year on professional revaluation on freehold property	-	-
Unrealised surplus carried forward	290,901	290,901

No provision has been made in respect of the taxation that would be chargeable if the property is disposed of.

MOTOR MALL LIMITED

Notes forming part of the Financial Statements for the year ended 28th February 2006

17. CAPITAL EXPENDITURE & CAPITAL COMMITMENTS

The director has not authorised any capital expenditure or entered into any capital commitments which are not reflected in these financial statements.

18. STAFF COSTS

Staff costs, including directors, during the period amounted to:

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Wages and salaries	128,547	118,722
Social Security costs	11,677	11,618
	<u>140,224</u>	<u>130,340</u>

Directors Remuneration included in the above was:

	<u>2006</u>	<u>2005</u>
Salaries	43,000	42,250
Social Security costs	4,879	4,803
	<u>47,879</u>	<u>47,053</u>

The average weekly number of employees during the year was made up as follows:

	<u>2006</u>	<u>2005</u>
Directors	1	1
Production	3	3
Sales	-	-
Administrative	-	-
	<u>4</u>	<u>4</u>

The emoluments of the Chairman, who was also the highest paid director, were £43,000 [2005: £42,250]. The emoluments of all directors fall within the following ranges:

	<u>2006</u>	<u>2005</u>
£25,001 - £30,000	-	-
£30,001 - £45,000	1	1

19. COMMITMENTS AND CONTINGENT

The company has given a first legal charge over the freehold property and a fixed and floating charge over all current and future assets of the Company to their bankers.

20. ULTIMATE HOLDING COMPANY

The Parent and Ultimate Holding Company is Motor Mall (Holdings) Limited, incorporated in England.