

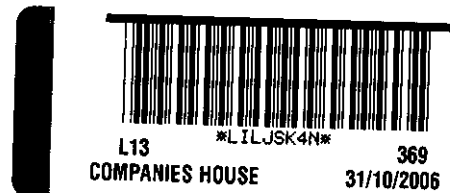
SCOOTERPOINT LIMITED

COMPANY NO. 660067

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER 2005



**S G SMITH MOTOR GROUP**

**SCOOTERPOINT LIMITED**  
**REPORT OF THE DIRECTORS**

The Directors submit their report and audited financial statements for the year ended 31<sup>st</sup> December 2005.

**Activities of the Company**

The principal activity of the Company is that of garage proprietors.

**Review of Results and Future Developments**

The Company did not trade in the year. Income and expenditure in the year relate to residual matters on activities that ceased in 2004.

**Dividends**

The Directors recommend that no dividend be paid.

**Directors**

The Directors who served during the year and their interests in the share capital of the Parent Company were as follows:

**Ordinary Shares of £1 each**

**31<sup>st</sup> December 2005**      **31<sup>st</sup> December 2004**

L.G. Smith	-	-
R.C.D. Smith	27,286	27,286
C.B. Slater	-	-

R.C.D. Smith is also a trustee of two settlements which held a further 48,284 shares in the Parent Company at 31<sup>st</sup> December 2005.

No director had any rights to subscribe for shares or debentures at any point during the year.

**Auditors**

On 1<sup>st</sup> May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

**Disclosure of Information to Auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

*In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.*

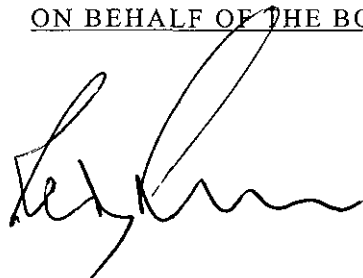
**SCOOTERPOINT LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

ON BEHALF OF THE BOARD

25 Dulwich Village,  
London SE21 7BW

12<sup>th</sup> October 2006

A handwritten signature in black ink, appearing to be 'R.C.D. Smith', written over a horizontal line.

R.C.D. Smith  
Director

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**SCOOTERPOINT LIMITED**

We have audited the financial statements of ScooterPoint Limited for the year ended 31<sup>st</sup> December 2005, which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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 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 & 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. We also report to you, if in our opinion, the Directors' Report is not consistent with the financial statements, 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 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 International Standards on Auditing (UK & 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, other irregularity or error. In forming our opinion, we have evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements 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 31<sup>st</sup> December 2005 and of its profit for the year then ended and the financial statements have been properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements.

Devonshire House,  
60 Goswell Road,  
London,  
EC1M 7AD  
12<sup>th</sup> October 2006

KINGSTON SMITH LLP  
Chartered Accountants  
and Registered Auditors

*Kingston Smith*  
LLP

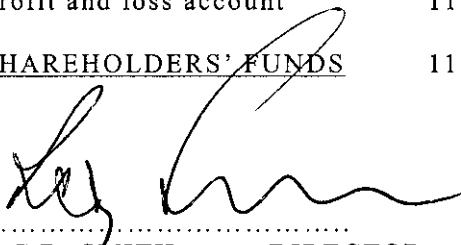
**SCOOTERPOINT LIMITED**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

	<u>Note</u>	<u>2005</u>	<u>2004</u>
Turnover: Discontinued operations	1 (b)	-	608
Cost of sales		<u>(689)</u>	<u>(1,155)</u>
Gross Loss		(689)	(547)
Administrative expenses	-	(708)	
Other operating expenses	-	(1,528)	
Other operating income	-	-	
		<u>-</u>	<u>(2,236)</u>
Operating Loss: Discontinued operations	2	<u>(689)</u>	<u>(2,783)</u>
Interest payable and Similar charges	4	-	(225)
Loss on ordinary activities before taxation		<u>(689)</u>	<u>(3,008)</u>
Taxation	5	-	-
Retained loss for the financial year		<u>(689)</u>	<u>(3,008)</u>

There were no recognised gains and losses other than those stated above, and therefore no separate statement of total recognised gains and losses has been presented.

**SCOOTERPOINT LIMITED**  
**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> DECEMBER 2005**

	<u>Note</u>	<u>2005</u>	<u>2004</u>
<u>FIXED ASSETS</u>			
Tangible assets	6	-	-
<u>CURRENT ASSETS</u>			
Stocks	7	-	-
Debtors	8	-	1,004
Cash at bank and in hand		-	-
		-	1,004
<u>CREDITORS DUE WITHIN ONE YEAR</u>	9	(128,145)	(128,460)
<u>NET CURRENT LIABILITIES</u>		(128,145)	(127,456)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		(128,145)	(127,456)
<u>NET LIABILITIES</u>		£ (128,145)	£ (127,456)
<u>CAPITAL AND RESERVES</u>			
Called up share capital	10	100	100
Profit and loss account	11	(128,245)	(127,556)
<u>SHAREHOLDERS' FUNDS</u>	11	£ (128,145)	£ (127,456)

  
 .....  
 R.C.D. SMITH      DIRECTOR

Approved by the Board on 12<sup>th</sup> October 2006

**SCOOTERPOINT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

1. ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Turnover

Turnover represents the amounts invoiced for goods and services supplied to customers, excluding Value Added Tax.

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

(c) Deferred Taxation

Deferred tax is provided for, in respect of the taxation effects of all timing differences, calculated at the rate at which it is estimated that tax will be payable, using the liability method.

(d) Tangible Fixed Assets

Depreciation is provided to write off the cost or valuation of assets over their expected useful lives, using the straight-line method, at the following annual rates.

Plant & Machinery:	between 10% and 33%
Fixtures & Fittings:	between 10% and 33%

**SCOOTERPOINT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

	<u>2005</u>	<u>2004</u>
2. <u>OPERATING LOSS</u>		
This is stated after charging:		
Depreciation of tangible fixed assets:		
- Wholly owned	£ -	£ -
- Held under finance leases	£ -	£ -
Auditors' remuneration: audit	£ -	£ -
Auditors' remuneration: other	£ -	£ -
Plant operating lease rentals	£ -	£ -
Property operating lease rentals	£ -	£ 1,000

The auditor's fee has been borne by the parent company.

3. EMPLOYEE INFORMATION

The average number of employees during the Year were:

Production and sales	-	-
Administration	-	-
Other Staff	-	-
	-	-

Staff costs were:

Salaries and wages	-	-
Social security costs	-	-
	£ -	£ -

4. INTEREST PAYABLE

Bank loans and overdrafts	-	225
Floorstock Interest	-	-
	£ -	£ 225

5. TAXATION

Corporation tax credit at 30% (2004 30%)	-	-
Deferred taxation movement	-	-
	£ -	£ -

Factors affecting the current year tax charge were as follows: -

Loss on ordinary activities before tax	£ (689)	£ (3,008)
Loss on ordinary activities at standard rate of Corporation Tax in the UK of 30% (Credit)	(207)	(902)
Losses not utilised	207	902
Current tax credit for year	£ -	£ -



**SCOOTERPOINT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

<u>6. TANGIBLE FIXED ASSETS</u>	<u>Plant and Machinery</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
<u>Cost or Valuation</u>			
At 1 <sup>st</sup> January 2005	575	2,077	2,652
<u>Additions</u>			
Disposals	(575)	(2,077)	(2,652)
At 31 <sup>st</sup> December 2005	£ -	£ -	-
<u>Depreciation</u>			
At 1 <sup>st</sup> January 2005	575	2,077	2,652
Charge for the year	-	-	-
Eliminated on disposal	(575)	(2,077)	(2,652)
At 31 <sup>st</sup> December 2005	£ -	£ -	-
<u>Net Book Value</u>			
At 31 <sup>st</sup> December 2005	£ -	£ -	-
At 31 <sup>st</sup> December 2004	£ -	£ -	-

**SCOOTERPOINT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

	<u>2005</u>	<u>2004</u>	
7. <u>STOCKS</u>			
Motor Vehicles	-	-	
Parts and accessories	-	-	
Service work in progress	-	-	
	£ <u>-</u>	£ <u>-</u>	
8. <u>DEBTORS</u>			
<u>Due within one year</u>			
Trade Debtors	-	504	
Amounts owed by group undertakings	-	-	
Other debtors	-	-	
Prepayments and accrued income	-	500	
	£ <u>-</u>	£ <u>1,004</u>	
9. <u>CREDITORS DUE WITHIN ONE YEAR</u>			
Trade creditors	-	313	
Amounts owed to group undertakings	128,145	128,147	
Payments received on account	-	-	
Accruals and deferred income	-	-	
	£ <u>128,145</u>	£ <u>128,460</u>	
10. <u>SHARE CAPITAL: EQUITY INTERESTS</u>	<u>2005</u>	<u>2004</u>	
<u>Authorised</u>			
Ordinary shares of £1 each	£ <u>100</u>	£ <u>100</u>	
<u>Allotted and fully paid</u>			
Ordinary shares of £1 each	£ <u>100</u>	£ <u>100</u>	
11. <u>SHAREHOLDERS' FUNDS</u>	<u>Share Capital</u>	<u>Profit and Loss Account</u>	<u>Total</u>
At beginning of year	100	(127,556)	(127,456)
Loss in year	-	(689)	(689)
At end of year	£ <u>100</u>	£ <u>(128,245)</u>	£ <u>(128,145)</u>

**14. CONTINGENT LIABILITIES**

The company has provided joint and several guarantees to secure loan and overdraft facilities to group undertakings. The amounts advanced under these facilities at 31<sup>st</sup> December 2005 were £3,320,109 (2004 £4,200,610).

**SCOOTERPOINT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

**15. ULTIMATE PARENT UNDERTAKING**

The company is a wholly owned subsidiary of its parent company, which is S.G. Smith (Motors) Insurance and Management Services Limited. That company prepares consolidated financial statements, copies of which may be obtained from the registered office at 25 Dulwich Village, London SE21 7BW.

The company has taken advantage of the exemption to which it is entitled not to disclose any related party transactions.

**16. CONTROLLING INFLUENCE**

The group is controlled by R.C.D. Smith, the chairman, by virtue of his own shareholding and those of trusts of which he is a trustee as disclosed in the directors' report on page 1.

**SCOOTERPOINT LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

	<u>2005</u>	<u>2004</u>
<b>Turnover</b>	-	608
Purchases	-	1,155
Productive Wages	-	-
Plant Repairs	-	-
Plant Depreciation	-	-
<b>Cost of Sales</b>	<u>-</u>	<u>1,155</u>
<b>Gross Loss</b>	<u>-</u>	<u>(547)</u>
Administrative Wages	-	-
Computer Maintenance	-	-
Telephone	-	676
Postage & Stationery	-	32
Bank Charges	-	-
Legal & Professional	-	-
Leasing Charges	-	-
Management Charges	-	-
Non-Insured Losses	-	-
<b>Administrative Expenses</b>	<u>-</u>	<u>708</u>
Non Productive Wages	-	-
Trade Expenses	689	75
Travelling Expenses	-	17
Advertising	-	-
Rates	-	582
Rent	-	1000
Insurance	-	-
Security	-	-
Property Maintenance	-	-
Light, Heat & Power	-	(146)
Entertaining	-	-
Training	-	-
Credit Card Charges	-	-
Commission Payable	-	-
Discounts Given	-	-
Bad Debts Written Off	-	-
Audit & Accountancy	-	-
Property Depreciation	-	-
Fixtures Depreciation	-	-
Vehicle Depreciation	-	-
Goodwill Amortisation	-	-
Losses on Disposals	-	-
<b>Other Operating Charges</b>	<u>689</u>	<u>1,528</u>
Commission Received	-	-
Rent Received	-	-
Discounts Taken	-	-
Other Income	-	-
<b>Other Operating Income</b>	<u>-</u>	<u>-</u>
<b>Operating (Loss)</b>	<u>(689)</u>	<u>(2,783)</u>
Interest Payable	-	225
Interest Receivable	-	-
<b>(Loss) before tax</b>	<u>£ (689)</u>	<u>£ (3,008)</u>