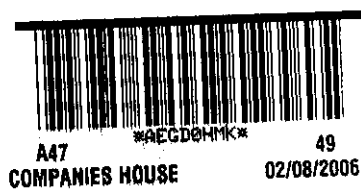


Millstream Motor Company Limited
Company No: 02264725

Financial Statements

For The Year Ended 31st March 2006



MILLSTREAM MOTOR COMPANY LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2006

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MILLSTREAM MOTOR COMPANY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2006

DIRECTOR: D Bundy

SECRETARY: Mrs D Bundy

REGISTERED OFFICE: Unit 9
Millstream Trading Estate
Christchurch Road
Ringwood
Hampshire
BH24 3SB

REGISTERED NUMBER: 02264725 (England and Wales)

MILLSTREAM MOTOR COMPANY LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST MARCH 2006

The director presents his report with the financial statements of the company for the year ended 31st March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the repair of motor vehicles.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

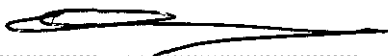
DIRECTOR

D Bundy was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.3.06	1.4.05
Ordinary £1 shares	1	1

ON BEHALF OF THE BOARD:



.....
Mrs D Bundy - Secretary

Date: 31.7.2006

MILLSTREAM MOTOR COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2006

	Notes	2006 £	2005 £
TURNOVER		402,038	424,852
Cost of sales		<u>242,261</u>	<u>250,114</u>
GROSS PROFIT		159,777	174,738
Administrative expenses		<u>99,144</u>	<u>93,260</u>
OPERATING PROFIT	3	60,633	81,478
Interest receivable and similar income		<u>385</u>	<u>85</u>
		61,018	81,563
Interest payable and similar charges	4	<u>571</u>	<u>2,040</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		60,447	79,523
Tax on profit on ordinary activities	5	<u>11,484</u>	<u>15,013</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>48,963</u>	<u>64,510</u>
RETAINED PROFIT FOR THE YEAR		<u>48,963</u>	<u>64,510</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

MILLSTREAM MOTOR COMPANY LIMITED

BALANCE SHEET
31ST MARCH 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	7	82,545	81,326
CURRENT ASSETS			
Stocks	8	5,950	5,950
Debtors	9	119,289	84,876
Cash at bank and in hand		<u>36,182</u>	<u>36,549</u>
		161,421	127,375
CREDITORS			
Amounts falling due within one year	10	<u>79,887</u>	<u>85,313</u>
NET CURRENT ASSETS		<u>81,534</u>	<u>42,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		164,079	123,388
CREDITORS			
Amounts falling due after more than one year	11	(724)	(9,082)
PROVISIONS FOR LIABILITIES	13	<u>(5,886)</u>	<u>(5,800)</u>
NET ASSETS		<u>157,469</u>	<u>108,506</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account	15	<u>157,467</u>	<u>108,504</u>
SHAREHOLDERS' FUNDS	18	<u>157,469</u>	<u>108,506</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2006.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2006 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

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

ON BEHALF OF THE BOARD:

.....
Director  D. Bundy

Approved by the Board on 31.7.2006.....

The notes form part of these financial statements

MILLSTREAM MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computers	-33% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Stock

Stock and work in progress are valued at the lower of cost and net realisable value

2. STAFF COSTS

	2006	2005
	£	£
Wages and salaries	39,394	41,888
Social security costs	<u>3,340</u>	<u>3,317</u>
	<u>42,734</u>	<u>45,205</u>

The average monthly number of employees during the year was as follows:

2006	2005
<u>5</u>	<u>5</u>

MILLSTREAM MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Depreciation - owned assets	14,915	17,343
Depreciation - assets on hire purchase contracts	5,009	-
Profit on disposal of fixed assets	<u>(2,034)</u>	<u>(2,388)</u>
Director's emoluments	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Bank interest	-	218
Hire purchase	571	1,352
Leasing	<u>-</u>	<u>470</u>
	<u>571</u>	<u>2,040</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2006	2005
	£	£
Current tax:		
UK corporation tax	11,398	14,966
Deferred tax	<u>86</u>	<u>47</u>
Tax on profit on ordinary activities	<u>11,484</u>	<u>15,013</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2006	2005
	£	£
Profit on ordinary activities before tax	<u>60,447</u>	<u>79,523</u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 19% (2005 - 19%)	11,485	15,109

Effects of:

Depreciation less than capital allowances	(87)	(221)
Non allowable expenditure	-	78
Deferred Taxation	<u>86</u>	<u>47</u>
Current tax charge	<u>11,484</u>	<u>15,013</u>

Deferred tax, due to claiming accelerated wear and tear allowances, has been calculated as £30,983 using a rate of 19%.

MILLSTREAM MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006

6. DIVIDENDS

	2006 £	2005 £
Equity shares:		
Final	<u>-</u>	<u>24,474</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st April 2005	111,064	18,999	66,908	1,083	198,054
Additions	19,998	-	3,000	1,111	24,109
Disposals	<u>-</u>	<u>-</u>	<u>(12,500)</u>	<u>-</u>	<u>(12,500)</u>
At 31st March 2006	<u>131,062</u>	<u>18,999</u>	<u>57,408</u>	<u>2,194</u>	<u>209,663</u>
DEPRECIATION					
At 1st April 2005	80,788	10,878	24,705	357	116,728
Charge for year	7,541	1,218	10,559	606	19,924
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(9,534)</u>	<u>-</u>	<u>(9,534)</u>
At 31st March 2006	<u>88,329</u>	<u>12,096</u>	<u>25,730</u>	<u>963</u>	<u>127,118</u>
NET BOOK VALUE					
At 31st March 2006	<u>42,733</u>	<u>6,903</u>	<u>31,678</u>	<u>1,231</u>	<u>82,545</u>
At 31st March 2005	<u>30,276</u>	<u>8,121</u>	<u>42,203</u>	<u>726</u>	<u>81,326</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st April 2005 and 31st March 2006	<u>25,993</u>
DEPRECIATION	
At 1st April 2005	5,956
Charge for year	<u>5,009</u>
At 31st March 2006	<u>10,965</u>
NET BOOK VALUE	
At 31st March 2006	<u>15,028</u>
At 31st March 2005	<u>20,037</u>

MILLSTREAM MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006

8. STOCKS

	2006	2005
	£	£
Raw Materials and Consumables	5,600	5,600
Work in Progress	<u>350</u>	<u>350</u>
	<u>5,950</u>	<u>5,950</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	28,976	28,538
Associated Company	89,218	55,044
Prepayments	<u>1,095</u>	<u>1,294</u>
	<u>119,289</u>	<u>84,876</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Hire purchase contracts (see note 12)	8,357	7,828
Trade creditors	33,069	38,430
Tax	11,398	14,966
Social security and other taxes	1,542	1,226
Value Added Tax	23,091	20,494
Directors' current accounts	-	1
Accrued expenses	<u>2,430</u>	<u>2,368</u>
	<u>79,887</u>	<u>85,313</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Hire purchase contracts (see note 12)	<u>724</u>	<u>9,082</u>

MILLSTREAM MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2006 £	2005 £
Gross obligations repayable:		
Within one year	8,689	8,689
Between one and five years	<u>724</u>	<u>9,414</u>
	<u>9,413</u>	<u>18,103</u>
Finance charges repayable:		
Within one year	332	861
Between one and five years	<u>-</u>	<u>332</u>
	<u>332</u>	<u>1,193</u>
Net obligations repayable:		
Within one year	8,357	7,828
Between one and five years	<u>724</u>	<u>9,082</u>
	<u>9,081</u>	<u>16,910</u>

13. PROVISIONS FOR LIABILITIES

	2006 £	2005 £
Deferred tax	<u>5,886</u>	<u>5,800</u>

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2006	2005
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2006	2005
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

15. RESERVES

	Profit and loss account £
At 1st April 2005	108,504
Retained profit for the year	<u>48,963</u>
At 31st March 2006	<u>157,467</u>

MILLSTREAM MOTOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006

16. TRANSACTIONS WITH DIRECTOR

a) The company trades with the director and these transactions are reflected in the financial statements.

	2006	2005
	£	£
Sales	7,723	22,226
Purchases	-	6,000
Debtors	89,218	55,044

b) The company employs the directors wife at an annual salary

10,400	10,400
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c) The company rents a unit owned by the director and his wife.
Rent Charged

18,500	18,500
--------	--------

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	48,963	64,510
Dividends	-	(24,474)
Net addition to shareholders' funds	48,963	40,036
Opening shareholders' funds	<u>108,506</u>	<u>68,470</u>
Closing shareholders' funds	<u>157,469</u>	<u>108,506</u>
 Equity interests	 <u>157,469</u>	 <u>108,506</u>