Keltruck Limited

Directors' report and financial statements

Registered number 2880543

For the year ended 31 December 2008

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities and business review

The principal activity of the company is the sale of new and used Scania vehicles as well as the provision of maintenance facilities and the sale of parts and services associated with the operation of commercial vehicles and trailers.

Business review

The company has benefitted during 2008 from an overall increase in heavy truck sector sales, although this was biased towards the first half of the year. Used sales volumes also increased over the previous year. These increased sales contributed towards a rise in annual turnover to a record £106 million, up from £97 million in 2007.

Aftersales operations continued to generate the largest contribution and following a broadly stable performance in the sale of service hours over the past two years, 2008 saw growth of 5.4% to a record level. This was in part due to investments in new facilities in Worksop and an extension of the facilities at West Bromwich. Parts sales were consistent with the prior year, with slight increases in non-Scania, trailer and associated parts.

The greatest risk that the company faces is the reliance on a single franchise for the majority of its profit generation; however, with a minimum of two years notice on the sales contract and an indefinite agreement on aftersales, the directors see no reason why these franchise agreements will not continue.

With the market predictions for 2009 being significantly down and the weakening of the used vehicle market at the same time, the forecast for 2009 is a reduction in profitability. However, the company remains well placed to take advantage of any opportunities that may be presented in light of the economic climate.

Results and dividends

The profit for the year, after taxation, was £2,600,000 *(2007: £2,758,000)*.

The directors approved and paid an interim dividend of £100,000 *(2007: £Nil)* for the year. A final ordinary dividend in respect of the current financial year of £500,000 *(2007: £750,000)* has been proposed and approved and remains in creditors at the year end.

Directors

The directors of the company during the year were:

CJ Kelly	
SM Kelly	
TL Adams	
MS Kelly	
CD Kelly	
A Jamieson	
P Sims	(appointed 1 December 2008)
T Joynes	(appointed 1 December 2008)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Directors' report *(continued)*

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and the group magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Political and charitable contributions

The group made charitable donations of £32,000 *(2007: £58,000)* and no political donations during the year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on 30 March 2009 and signed on its behalf by:

CJ Kelly
Chairman

Kenrick Way
West Bromwich
West Midlands
B71 4JW

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Keltruck Limited

We have audited the financial statements of Keltruck Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements givė a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 and 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 judgments 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 or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Keltruck Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit the year then ended;
- 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.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

30 March 2009

Profit and loss account
for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	2	**105,785**	97,017
Cost of sales		**(92,229)**	(83,635)
Gross profit		**13,556**	13,382
Administrative expenses		**(8,416)**	(7,605)
Selling and distribution costs		**(1,785)**	(1,738)
Operating profit		**3,355**	4,039
Profit on disposal of current asset investments		**262**	-
Interest receivable and similar income	4	**178**	161
Interest payable and similar charges	5	**(44)**	(11)
Profit on ordinary activities before taxation	3	**3,751**	4,189
Tax on profit on ordinary activities	8	**(1,151)**	(1,431)
Profit on ordinary activities after taxation and profit for the financial year	20	**2,600**	2,758

All of the company's operations are derived from continuing activities.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account.

Balance sheet
at 31 December 2008

	Note	2008	2008	2007	2007
		£000	£000	£000	£000
Fixed assets					
Intangible assets	*10*		4,225		4,489
Tangible assets	*11*		4,733		4,483
Investments	*12*		200		200
			9,158		9,172
Current assets					
Stocks	*13*	15,594		9,227	
Debtors	*14*	6,475		6,284	
Investments	*15*	5		55	
Cash at bank and in hand		3,922		1,646	
		25,996		17,212	
Creditors: Amounts falling due within one year	*16*	(21,451)		(15,553)	
Net current assets			4,545		1,659
Total assets less current liabilities			13,703		10,831
Creditors: Amounts falling due after more than one year	*17*		(882)		-
Provisions for liabilities and charges	*18*		(221)		(231)
Net assets			12,600		10,600
Capital and reserves					
Called up share capital	*19*		1,400		1,400
Share premium account	*20*		2,350		2,350
Profit and loss account	*20*		8,850		6,850
Shareholders' funds	*21*		12,600		10,600

These financial statements were approved by the board of directors on 30 March 2009 and were signed on its behalf by:

CJ Kelly
Chairman

Cash flow statement

for the year ended 31 December 2008

Reconciliation of operating profit to net cash flow from operating activities

	2008 £000	2007 £000
Operating profit	**3,355**	4,039
Depreciation charges	**1,315**	1,142
Amortisation of goodwill	**264**	264
Profit on sale of fixed assets	**(6)**	(3)
Increase in stocks	**(6,367)**	(112)
Increase in debtors	**(153)**	(79)
Increase/(decrease) in creditors	**6,370**	(352)
(Decrease)/increase in provisions	**(10)**	20
Net cash inflow from operating activities	**4,768**	4,919

Cash flow statement

	Note	2008 £000	2007 £000
Cash flow from operating activities		**4,768**	4,919
Returns on investments and servicing of finance	*22a*	**134**	144
Taxation	*22b*	**(1,411)**	(1,290)
Capital expenditure and financial investment	*22c*	**(1,247)**	(2,490)
Dividends paid on shares classified in shareholders' funds		**(850)**	(659)
Net cash inflow before financing		**1,394**	624
Financing	*22d*	**882**	-
Increase in cash in the year	*23*	**2,276**	624

Cash flow statement
for the year ended 31 December 2008 (continued)

Reconciliation of net cash flow to movement in net debt

	Note	2008 £000	2007 £000
Increase in cash in the year		**2,276**	624
Cash inflow from increase in debt		**(882)**	-
Change in net funds resulting from cash flows		**1,394**	624
Decrease in value of current asset investments		**(50)**	(23)
Movement in net funds in the year		**1,344**	601
Net funds at beginning of year		**1,701**	1,100
Net funds at end of year	*23*	**3,045**	1,701

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on acquisition is capitalised and amortised over its useful economic life which is estimated to be 20 years.

Investments

Investments in subsidiary undertakings are stated at cost less provisions for impairment.

Current asset investments are stated at the lower of cost and market value.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments, over their estimated useful life as follows:

Improvements to leasehold property	-	remaining period of the lease
Plant, vehicles and equipment	-	8% to 50% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate. Vehicles on consignment comprise stock which is in the process of being delivered to the group.

Cash and liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Pensions

The group operates two defined contribution pension schemes and a self administered scheme in respect of the directors and permanent employees. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

2 Segment information

	2008 £000	2007 £000
Geographical analysis:		
United Kingdom	**104,263**	95,334
Rest of Europe	**1,193**	1,417
Rest of the world	**329**	266
	105,785	97,017

3 Notes to the profit and loss account

	2008 £000	2007 £000
Profit on ordinary activities before taxation is stated		
after charging		
Depreciation of owned tangible fixed assets	**1,315**	1,142
Amortisation of goodwill	**264**	264
Profit on sale of fixed assets	**6**	3
Operating lease rentals:		
Land and buildings	**950**	929
Auditors' remuneration:		
For audit services	33	31
Other services – fees receivable by the auditors and their associates	7	6

Notes *(continued)*

4 Interest receivable and similar income

	2008	2007
	£000	£000
Bank interest	**96**	39
Other interest receivable and similar income	**82**	122
	178	161

5 Interest payable and similar charges

	2008	2007
	£000	£000
Bank loans and overdrafts	**44**	11

6 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year was as follows:

	Number of employees	
	2008	2007
Office and management	**55**	56
Service and sales	**447**	436
	502	492

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	**13,225**	12,604
Social security costs	**1,396**	1,370
Other pension costs	**109**	106
	14,730	14,080

Notes *(continued)*

7 Remuneration of directors

Remuneration

The remuneration of the directors was as follows:

	2008 £000	2007 £000
Emoluments	**485**	417
Company contributions paid to money purchase pension schemes	**21**	16
	506	433

Pensions

The number of directors who are members of pension schemes are as follows:

	Number 2008	2007
Money purchase schemes	**2**	2

Highest paid director

The amounts for remuneration include the following in respect of the highest paid director:

	2008 £000	2007 £000
Emoluments	**158**	142
Company contributions paid to money purchase pension schemes	**10**	9
	168	151

8 Tax on profit on ordinary activities

(i) Analysis of charge for the year

	2008 £000	£000	2007 £000	£000
UK corporation tax				
UK corporation tax	**1,179**		1,389	
Adjustments in respect of prior years	**10**		5	
Total current tax		**1,189**		1,394
Deferred tax				
Origination and reversal of timing differences	**(48)**		(10)	
Adjustment in respect of prior years	**9**		(11)	
Effect of decreased tax rate	**1**		58	
		(38)		37
Tax on profit on ordinary activities		**1,151**		1,431

Notes *(continued)*

8 Tax on profit of ordinary activities *(continued)*

(ii) Factors affecting the tax charge for the year

The current tax charge for the year is higher *(2007: higher)* than the standard rate of corporation tax in the UK of 28% *(2007: 30%)*. The differences are explained below:

	2008	2007
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	**3,751**	4,189
Current tax at 28.5% *(2007: 30%)*	**1,069**	1,257
Effects of:		
Expenses not deductible for tax purposes	**116**	109
Depreciation on ineligibles	**22**	21
Depreciation in excess of/(less than) capital allowances	**47**	(3)
Decrease/increase in other timing differences	**(1)**	5
Difference between accounting profit on disposal and chargeable gain	**(74)**	-
Adjustments to tax charge in respect of previous year	**10**	5
Total current tax charge (see above)	**1,189**	1,394

(iii) Amounts provided and not provided for deferred taxation

			2007	
	Provided	**Not provided**	Provided	Not provided
	£000	**£000**	£000	£000
Difference between accumulated depreciation and capital allowances	**(140)**	-	(102)	-
Other timing differences	**(9)**		(9)	-
Deferred tax asset (see note 14)	**(149)**		(111)	-

(iv) Analysis of movement in deferred tax

	£000
At start of year	(111)
Credit to profit and loss account (see note 8(i))	(38)
At end of year	**(149)**

Notes *(continued)*

9 Dividends

	2008 £000	2007 £000
Interim dividends paid in respect of the current year	**100**	-
Dividends in respect of the year recognised as a liability at the year end	**500**	750
	600	750

10 Intangible fixed assets

	Goodwill £000
Cost	
At beginning and end of year	5,269
Amortisation	
At beginning of year	780
Charge for year	264
At end of year	1,044
Net book value	
At 31 December 2008	**4,225**
At 31 December 2007	4,489

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The amortisation period chosen is 20 years and this is the directors' valuation of the economic life of the asset.

Notes *(continued)*

11 Tangible fixed assets

	Improvements to leasehold property £000	Plant, vehicles and equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At beginning of year	1,241	6,484	110	7,835
Additions	368	1,684	-	2,052
Disposals	-	(1,112)	-	(1,112)
Transfers between items	110	-	(110)	-
At end of year	1,719	7,056	-	8,775
Depreciation				
At beginning of year	552	2,800	-	3,352
Charge for the year	127	1,188	-	1,315
Disposals	-	(625)	-	(625)
At end of year	679	3,363	-	4,042
Net book value				
At 31 December 2008	**1,040**	**3,693**	-	**4,733**
At 31 December 2007	689	3,684	110	4,483

12 Fixed asset investments

	2008 £000	2007 £000
Amounts owed to subsidiary undertakings	**200**	200

On 26 November 2004, the company purchased the entire ordinary share capital of East Midland Commercials Limited which operated in the sale of trucks and parts and the servicing of vehicles under a truck franchise agreement. The cost of the company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets and goodwill at the time of acquisition. During 2005, the trade and net assets were transferred to the company at their book value which was less than their fair value. As a result of this transfer, the value of the company's investment in East Midland Commercials Limited fell below the amount at which it was stated in the company's accounting records.

Schedule 4 to the Companies Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account. However, it would fail to give a true and fair view to charge that diminution to the company's profit and loss account for the year and it should instead be re-allocated to goodwill and the identifiable net assets transferred, so as to recognise in the company's individual balance sheet the effective cost to the company of those net assets and goodwill. The effect of this departure was to increase the cumulative amount of goodwill capitalised in the company's balance sheet by £5,269,000.

Notes *(continued)*

12 Fixed asset investments *(continued)*

Name of principal subsidiaries	Activities	Country of incorporation	Holding %
East Midland Commercials Limited	Dormant	United Kingdom	100

13 Stocks

	2008 £000	2007 £000
New and used vehicles	**13,366**	6,322
Spares and consumables	**1,919**	2,514
Recycled parts	**309**	391
	15,594	9,227

14 Debtors

	2008 £000	2007 £000
Trade debtors	**5,992**	5,854
Other debtors	**1**	2
Deferred tax asset (due after more than one year – see note 8)	**149**	111
Prepayments	**333**	317
	6,475	6,284

15 Current asset investments

	2008 £000	2007 £000
Listed investments	**5**	-
Other investments	**-**	55
	5	55

At 31 December 2008, the market value of the listed investments was £5,119 *(2007: £Nil)*.

Notes *(continued)*

16 Creditors: Amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	**13,165**	6,605
Amounts due to group undertakings	**200**	200
Corporation tax	**567**	789
Other taxation and social security	**686**	1,389
Other creditors	**4,840**	4,411
Accruals	**1,493**	1,409
Dividends payable	**500**	750
	21,451	15,553

17 Creditors: Amounts falling due after more than one year

	2008 £000	2007 £000
Bank loans (unsecured)	**882**	-

Bank loans are repayable within one to two years.

18 Provisions for liabilities and charges

	Buyback provision £000
At beginning of year	231
Credit to the profit and loss for the year	(10)
At end of year	**221**

The group operates a system where some vehicles are sold subject to a buyback agreement. The group commits to the buyer at the time of purchase to the value of the vehicle on the buyback date at an agreed price ("the guaranteed residual value"). The above represents the company's and the group's estimate of the exposure between the guaranteed residual value and the market value at the buyback date, and hence the existing liability as a result of this arrangement.

19 Called up share capital

	2008 £000	2007 £000
Authorised, issued, called up and fully paid:		
1,400,000 ordinary shares of £1 each *(2007: 1,400,000 ordinary shares of £1 each)*	**1,400**	1,400

Notes *(continued)*

20 Reserves

	Profit and loss account £000	Share premium account £000
At 1 January 2008	6,850	2,350
Profit for the year	2,600	-
Dividends on shares classified in shareholders' funds	(600)	-
At 31 December 2008	**8,850**	**2,350**

21 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Profit for the financial year	**2,600**	2,758
Dividends on shares classified in shareholders' funds	**(600)**	(750)
Net addition to shareholders' funds	**2,000**	2,008
Opening shareholders' funds	**10,600**	8,592
Closing shareholders' funds	**12,600**	10,600

22 Analysis of cash flows

	2008 £000	2007 £000
(a) Returns on investments and servicing of finance		
Interest received	**178**	155
Interest paid	**(44)**	(11)
	134	144
(b) Taxation		
UK corporation tax paid	**(1,411)**	(1,290)
(c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(2,052)**	(2,797)
Sale of tangible fixed assets	**493**	284
Purchase of current asset investments	**(5)**	-
Sale of current asset investments	**317**	23
	(1,247)	(2,490)
(d) Financing		
New bank loans	**882**	-

Notes *(continued)*

23 Analysis of net funds

	At beginning of year £000	Cash flow £000	Non-cash movements £000	**At end of year £000**
Cash at bank and in hand	1,646	2,276	-	**3,922**
Debt due after one year	-	(882)	-	**(882)**
Current asset investments	55	-	(50)	**5**
Total	1,701	1,394	(50)	**3,045**

24 Financial commitments

(a) There were capital commitments amounting to £Nil at the end of the year *(2007: £408,000).*

(b) At 31 December 2008, the group and company had annual commitments under non-cancellable operating leases as follows:

Company			2007	
	Land and buildings £000	**Other £000**	Land and buildings £000	Other £000
Leases expiring:				
Within one year	**67**	-	154	-
In two to five years	**15**	-	79	-
In more than five years	**1,062**	-	695	-
	1,144	-	928	-

25 Pension commitments

The group operates two defined contribution schemes and a self administered scheme for certain directors. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to these schemes and other private pension arrangements for some of the directors and amounted to £109,000 *(2007: £106,000).* Contributions amounting to £Nil *(2007: £13,000)* were payable to the scheme and are included within creditors.

26 Contingent liabilities

The group and company have given commitments to repurchase vehicles from customers. These commitments amount to £11,593,956 *(2007: £9,282,000)* and may crystallise at various times within the next seven years. The directors are confident of selling these vehicles as part of normal business activities at a value not significantly different from their repurchase price.

Notes *(continued)*

27 Related party transactions

Property rental charges of £500,000 *(2007: £450,000)* were paid to Mr CJ Kelly during the year in respect of premises at West Bromwich, Coventry and Worksop.

Property and rental charges of £55,000 *(2007: £55,000)* were paid to the CJ Kelly Pension Fund during the year in respect of premises at Droitwich.

Mr CJ Kelly is also joint landlord of two other properties leased by the company. Property rental charges of £122,000 *(2007: £122,000)* were paid in the year.

Property and rental charges of £55,000 *(2007: £45,000)* were paid to the SM Kelly Pension Fund during the year in respect of premises at Tamworth.

Professional fees of £5,729 *(2007: £Nil)* were paid to Mr P Sims in the year.

£21,000 *(2007: £Nil)* was received in the year from Mr CD Kelly in respect of the purchase of a company vehicle. This vehicle had a book value of £28,614.

28 Ultimate controlling party

The group is ultimately controlled by Mr CJ Kelly.