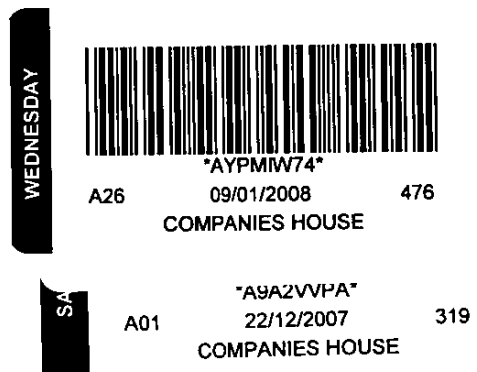


COMPANY REGISTRATION NUMBER 3822178

**TEAMWORKS KARTING LIMITED**  
**FINANCIAL STATEMENTS**  
**28 FEBRUARY 2006**

*AMENDING*



**WENHAM MAJOR LIMITED**

Chartered Certified Accountants and Registered Auditors  
89 Cornwall Street  
Birmingham  
B3 3BY

# **TEAMWORKS KARTING LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 28 FEBRUARY 2006**

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# **TEAMWORKS KARTING LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 28 FEBRUARY 2006**

The directors present their report and the financial statements of the company for the year ended 28 February 2006

### **PRINCIPAL ACTIVITY**

The principal activity of the company during the year continued to be that of arranging karting events at own and third party circuits

### **DIRECTORS**

The directors who served the company during the year were as follows

M Bryant  
S J Schehtman  
P F Davis

### **DIRECTORS' RESPONSIBILITIES**

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

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 year. In preparing these financial statements, the directors are required to

select suitable accounting policies, as described on page 6, and then apply them consistently,

make judgements and estimates that are reasonable and prudent, 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 the financial statements comply with the Companies Act 1985. The directors 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

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
202 Fazeley Street  
Birmingham  
B3 2DT

Signed on behalf of the directors



Michael Bryant

Director

Approved by the directors on 19 November 2007

## **TEAMWORKS KARTING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TEAMWORKS KARTING LIMITED**

**YEAR ENDED 28 FEBRUARY 2006**

We have audited the financial statements of Teamworks Karting Limited for the year ended 28 February 2006 on pages 3 to 10, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 6

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 AUDITOR**

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 and 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 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 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 or other irregularity or error. In forming our opinion we also 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 applicable to Smaller Entities, of the state of the company's affairs as at 28 February 2006 and of its loss for the year then ended, and  
have been properly prepared in accordance with the Companies Act 1985.

*Wenham Major Limited*

**WENHAM MAJOR LIMITED**  
Chartered Certified Accountants and  
Registered Auditors

89 Cornwall Street  
Birmingham  
B3 3BY

19 November 2007

# TEAMWORKS KARTING LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 FEBRUARY 2006

	Note	2006 £	2005 (restated) £
<b>TURNOVER</b>		<b>678,726</b>	<b>570,613</b>
Cost of sales		<u>278,437</u>	<u>405,464</u>
<b>GROSS PROFIT</b>		<b>400,289</b>	<b>165,149</b>
Administrative expenses		<b>528,976</b>	<b>328,334</b>
Other operating income	2	<u>(4,293)</u>	<u>(900)</u>
<b>OPERATING LOSS</b>	3	<b>(124,394)</b>	<b>(162,285)</b>
Loss on disposal of discontinued operations		<u>—</u>	<u>(86,776)</u>
		<b>(124,394)</b>	<b>(249,061)</b>
Interest receivable		<b>120</b>	<b>3,073</b>
Interest payable and similar charges		<u>(21,483)</u>	<u>(9,121)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(145,757)</b>	<b>(255,109)</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(145,757)</u></b>	<b><u>(255,109)</u></b>

The notes on pages 6 to 10 form part of these financial statements

**TEAMWORKS KARTING LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 28 FEBRUARY 2006**

	2006	2005 <i>(restated)</i>
	£	£
Loss for the financial year attributable to the shareholders	<b>(145,757)</b>	(255,109)
Total recognised gains and losses relating to the year	<b>(145,757)</b>	(255,109)
Prior year adjustment (see note 4)	<b>(41,569)</b>	
Total gains and losses recognised since the last annual report	<b>(187,326)</b>	

The notes on pages 6 to 10 form part of these financial statements.

# TEAMWORKS KARTING LIMITED

## BALANCE SHEET

28 FEBRUARY 2006

	Note	2006 £	2005 (restated) £
<b>FIXED ASSETS</b>			
Tangible assets	5	251,255	294,536
<b>CURRENT ASSETS</b>			
Stocks		8,984	—
Debtors	6	9,775	55,002
Investments	7	4	4
Cash at bank and in hand		18,444	10,547
		37,207	65,553
<b>CREDITORS: Amounts falling due within one year</b>	8	297,306	146,718
<b>NET CURRENT LIABILITIES</b>		(260,099)	(81,165)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(8,844)	213,371
<b>CREDITORS: Amounts falling due after more than one year</b>	9	174,063	250,521
		(182,907)	(37,150)
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	107	107
Share premium account	13	752,466	752,466
Profit and loss account	14	(935,480)	(789,723)
<b>DEFICIT</b>		(182,907)	(37,150)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 19 November 2007 and are signed on their behalf by

M BRYANT  
Director



The notes on pages 6 to 10 form part of these financial statements.

# TEAMWORKS KARTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2006

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued financial support of the company's bankers and investors

#### Turnover

The turnover shown in the profit and loss account represents income due for the year, exclusive of Value Added Tax

#### Fixed assets

All fixed assets are initially recorded at cost

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	over the term of the lease
Plant & Machinery	-	25% straight line
Computer Equipment	-	33 33% straight line

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

### 2. OTHER OPERATING INCOME

	2006	2005 (restated)
	£	£
Rent receivable	3,400	-
Other operating income	893	900
	<u>4,293</u>	<u>900</u>



# TEAMWORKS KARTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2006

### 3 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2006	2005 (restated)
	£	£
Directors' emoluments	50,000	43,750
Depreciation of owned fixed assets	53,067	67,537
Profit on disposal of fixed assets	—	(3,410)
Auditor's fees	2,700	—

### 4. PRIOR YEAR ADJUSTMENT

Due to a fundamental accounting error in the financial statements for the year to 28 February 2005 the comparatives within the financial statements to 28 February 2006 have been restated

The error has arisen as a result of certain costs that should have been reflected in the accounts of Teamworks Karting (Birmingham) Limited, a 100% subsidiary, in the year to 28 February 2005 had actually been charged to the profit and loss account of Teamworks Karting Limited. Teamworks Karting (Birmingham) Limited should then have raised a sales invoice to Teamworks Karting Limited for the total of these costs

As a result of a rental charge being understated in Teamworks Karting (Birmingham) Limited, the management charge being included in the profit and loss account for the year to 28 February 2005 has resulted in increasing the loss for the year by £41,563. In turn this has resulted in the opening balance in these accounts on the profit and loss reserve to reduce by £41,563. There are no corporation tax consequences of making this adjustment due to tax losses being incurred in the year to 28 February 2005 prior to making this adjustment

### 5. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Computer Equipment £	Total £
<b>COST</b>				
At 1 March 2005	243,930	274,701	—	518,631
Additions	7,117	—	2,669	9,786
<b>At 28 February 2006</b>	<b>251,047</b>	<b>274,701</b>	<b>2,669</b>	<b>528,417</b>
<b>DEPRECIATION</b>				
At 1 March 2005	16,262	207,833	—	224,095
Charge for the year	16,736	35,441	890	53,067
<b>At 28 February 2006</b>	<b>32,998</b>	<b>243,274</b>	<b>890</b>	<b>277,162</b>
<b>NET BOOK VALUE</b>				
<b>At 28 February 2006</b>	<b>218,049</b>	<b>31,427</b>	<b>1,779</b>	<b>251,255</b>
At 28 February 2005	227,668	66,868	—	294,536

### 6. DEBTORS

	2006	2005 (restated)
	£	£
Trade debtors	1,938	6,530
Other debtors	7,837	48,472
	<b>9,775</b>	<b>55,002</b>

# TEAMWORKS KARTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2006

### 7 INVESTMENTS

#### Teamworks Karting (Birmingham) Limited

	£
<b>COST</b>	
At 1 March 2005 and 28 February 2006	<u>1</u>
<b>NET BOOK VALUE</b>	
At 28 February 2006	<u>1</u>
At 28 February 2005	<u>1</u>

The company holds 100% of the issued share capital of Teamworks Karting (Birmingham) Limited, a company registered in England and Wales

#### Capital and reserves as at 28 February 2006

Teamworks Karting (Birmingham) Limited	<u>1</u>
<b>Profit for the year ended 28 February 2006</b>	
Teamworks Karting (Birmingham) Limited	<u>-</u>

#### Teamworks Karting (2) Limited

	£
<b>COST</b>	
At 1 March 2005 and 28 February 2006	<u>1</u>
<b>NET BOOK VALUE</b>	
At 28 February 2006	<u>1</u>
At 28 February 2005	<u>1</u>

The company holds 100% of the issued share capital of Teamworks Karting (2) Limited, a company registered in England and Wales

#### Aggregate capital and reserves as at 28 February 2006

Teamworks Karting (2) Limited	<u>1</u>
<b>Profit for the year ended 28 February 2006</b>	
Teamworks Karting (2) Limited	<u>-</u>

#### Teamworks Karting (3) Limited

	£
<b>COST</b>	
At 1 March 2005 and 28 February 2006	<u>1</u>
<b>NET BOOK VALUE</b>	
At 28 February 2006	<u>1</u>
At 28 February 2005	<u>1</u>

The company holds 100% of the issued share capital of Teamworks Karting (3) Limited, a company registered in England and Wales

# TEAMWORKS KARTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2006

### Aggregate capital and reserves as at 28 February 2006

Teamworks Karting (3) Limited	1
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### Profit for the year ended 28 February 2006

Teamworks Karting (3) Limited	-
-------------------------------	---

### Teamworks Karting (4) Limited

£

### COST

At 1 March 2005 and 28 February 2006	1
--------------------------------------	---

### NET BOOK VALUE

At 28 February 2006	1
---------------------	---

At 28 February 2005	1
---------------------	---

The company holds 100% of the issued share capital of Teamworks Karting (4) Limited, a company registered in England and Wales

### Aggregate capital and reserves as at 28 February 2006

Teamworks Karting (4) Limited	1
-------------------------------	---

### Profit for the year ended 28 February 2006

Teamworks Karting (4) Limited	-
-------------------------------	---

## 8. CREDITORS. Amounts falling due within one year

	2006	2005 (restated)
	£	£
Bank loans and overdrafts	62,500	45,749
Trade creditors	31,644	44,264
Other taxation and social security	25,537	13,891
Other creditors	177,625	42,814
	<u>297,306</u>	<u>146,718</u>

## 9. CREDITORS: Amounts falling due after more than one year

	2006	2005 (restated)
	£	£
Bank loans and overdrafts	156,250	220,833
Other creditors	17,813	29,688
	<u>174,063</u>	<u>250,521</u>

### Loan Maturity Analysis

	2006	2005 (restated)
	£	£
1 – 2 years	62,500	50,000
2 – 5 years	93,750	150,000
5+ years	-	20,333

# TEAMWORKS KARTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2006

### 10 TRANSACTIONS WITH THE DIRECTORS

During the year directors loan accounts were maintained, and at the year end a balance of £73,333 was outstanding (2005 nil)

Michael Bryant and Simone Schehtman have provided personal security in respect to the bank overdraft

### 11. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year

A management charge of £330,024 (2005 £124,383) has been charged during the year by Teamworks Karting (Birmingham) Limited, a 100% subsidiary company

### 12 SHARE CAPITAL

Authorised share capital:

	2006	2005 (restated)
	£	£
1,100,000 Ordinary shares of £0 0001 each	<u>110</u>	<u>110</u>

Allotted, called up and fully paid:

	2006		2005 (restated)	
	No	£	No	£
Ordinary shares of £0 0001 each	<u>1,073,000</u>	<u>107</u>	<u>1,073,000</u>	<u>107</u>

### 13 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

### 14. PROFIT AND LOSS ACCOUNT

	2006	2005 (restated)
	£	£
Balance brought forward as previously reported	(748,154)	(534,614)
Prior year adjustment (see note 4)	<u>(41,569)</u>	<u>-</u>
Balance brought forward restated	(789,723)	(534,614)
Loss for the financial year	<u>(145,757)</u>	<u>(255,109)</u>
Balance carried forward	<u>(935,480)</u>	<u>(789,723)</u>