

LIND AG LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2008



LIND AG LIMITED

FINANCIAL STATEMENTS

For the year ended 31 July 2008

Company no: 2727708

Registered office: Tithe Barn
Attlebridge
Norwich
Norfolk
NR9 5AA

Directors: G M Dacre
R B Dacre

Secretary: G M Dacre

Bankers: Bank of Scotland
3 Queen Street
Norwich
NR2 4SG

Auditor: Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Kingfisher House
1 Gilders Way
St James Place
Norwich
NR3 1UB

LIND AG LIMITED

FINANCIAL STATEMENTS

For the year ended 31 July 2008

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REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 July 2008.

Change of name

The company changed its name from Lindgate Limited to Lind AG Limited on 1 August 2007.

Principal activity

The principal activity of the company continued to be that of operating motor dealerships.

Business review and key performance indicators

The company uses a range of performance measures to monitor business performance. The directors consider that, consistent with the size and non-complex nature of the business, the key indicators are those that communicate the financial performance of the business as a whole and are as follows:

	2008 (12 months)	2007 (7 months)
Turnover (£)	29,524,278	17,527,545
Gross profit (£)	3,528,271	2,478,187
Operating (loss)/profit (£)	(841,490)	654,534

The year began just as the 'credit crunch' started to impact on the UK economy. The results for the year reflect the initial trading period of new operations in Norwich, as well as a downturn in sales for the established business. The results were also adversely impacted by a further tightening in retail economic activity since the year end, with its retrospective effect on the valuation of stock held at the Balance Sheet date.

Notwithstanding those comments, the directors are satisfied that the company is well placed to take advantage when the economy recovers.

Future developments

The directors anticipate that the retail trading environment will continue to be very difficult for the foreseeable future and, after the year end, reduced headcount to more closely align resources with the expected reduction in activity levels.

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level. Levels of stock are also regularly scrutinised to reduce the risk of slow moving stocks being held.

Principal risks and uncertainties

The company operates within a niche area of the mature, and highly-competitive, UK car market. As with many retail businesses, the company's performance is sensitive to consumers' spending patterns, their overall level of disposable income and, more recently, the general tightening of credit facilities within the economy. In the longer term, the impact of consumer trends towards products they perceive as more environmentally friendly may also be an important consideration. On the supply side, the volume of sales can be affected by the availability of new vehicles from the manufacturer, along with the timing of new model launches.

Directors

The directors who served during the year were as follows:

G M Dacre

J M Dacre (resigned on 7 February 2008)

R B Dacre

REPORT OF THE DIRECTORS

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors 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 the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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. 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.

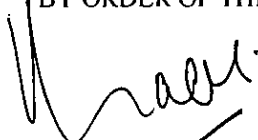
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The company has, by elective resolution, dispensed with the obligation to appoint an auditor annually in accordance with Section 386(1) of the Companies Act 1985. Therefore the auditor, Grant Thornton UK LLP, will be deemed to be re-appointed for each succeeding financial year.

BY ORDER OF THE BOARD



G M Dacre
Secretary

10/3/09

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF LIND AG LIMITED

We have audited the financial statements of Lind AG Limited for the year ended 31 July 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether in our opinion the information given in the report of the directors 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 report of the directors 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.

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 July 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the directors is consistent with the financial statements.


GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

NORWICH

13/7/2009

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

TURNOVER

Turnover is attributable to the sale and repair of motor vehicles and other ancillary services, excluding Value Added Tax and trade discounts. Vehicle sales are normally recognised on delivery to customer and other sales are recognised when the right to consideration has been earned on completion of the work (parts and services). Manufacturer bonuses and related income are recognised in the period to which they relate providing they can be estimated with reasonable certainty.

DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset, on a straight line basis over their expected useful lives. The expected useful lives generally applicable are:

Freehold land	not depreciated
Freehold buildings	50 years
Leasehold property	10 years
Plant and machinery	5-10 years
Fixtures, fittings and equipment	3-5 years
Motor vehicles	3-5 years

LEASED ASSETS

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

Under supply agreements with Porsche, the company has access to "consignment stock". Where the nature of these supply agreements transfer the risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

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 obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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.

PRINCIPAL ACCOUNTING POLICIES

PENSIONS

The company contributes to a group personal pension plan for individuals and the contributions are accounted for in the period to which they relate.

TAXATION

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised when it is more likely than not that the deferred tax asset will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

LIND AG LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 July 2008

	Note	Year ended 31 July 2008 £	Seven month period ended 31 July 2007 £
Turnover		29,524,278	17,527,545
Cost of sales		(25,996,007)	(15,049,358)
Gross profit		3,528,271	2,478,187
Administrative expenses		(4,369,761)	(1,823,653)
Operating (loss)/profit	1	(841,490)	654,534
Interest receivable and similar income	2	15,999	4,690
Interest payable and similar charges	3	(589,931)	(199,756)
(Loss)/profit on ordinary activity before taxation		(1,415,422)	459,468
Tax on (loss)/profit on ordinary activity	5	270,984	(145,985)
(Loss)/profit for the financial year/period	13	(1,144,438)	313,483

The profit and loss account has been prepared on the basis that all operations are continuing.

There are no recognised gains and losses other than those passing through the profit and loss account.

The accompanying accounting policies and notes form an integral part of these financial statements.

LIND AG LIMITED

BALANCE SHEET AT 31 JULY 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	6		5,183,989		4,562,754
Current assets					
Stocks	7	6,483,641		4,349,881	
Debtors	8	1,238,120		599,394	
Cash at bank and in hand		1,860		850	
			<u>7,723,621</u>	<u>4,950,125</u>	
Creditors: amounts falling due within one year	9	(5,906,395)		(2,967,800)	
Net current assets			<u>1,817,226</u>		<u>1,982,325</u>
Total assets less current liabilities			<u>7,001,215</u>		<u>6,545,079</u>
Creditors: amounts falling due after more than one year	10		(5,750,574)		(4,150,000)
Net assets			<u>1,250,641</u>		<u>2,395,079</u>
Capital and reserves					
Called up equity share capital	11		2		2
Profit and loss account	12		1,250,639		2,395,077
Equity shareholder's funds	13		<u>1,250,641</u>		<u>2,395,079</u>

The financial statements were approved by the board of directors and authorised for issue on 10/3/09.



R B Dacre Director

The accompanying accounting policies and notes form an integral part of these financial statements.

LIND AG LIMITED
CASH FLOW STATEMENT

For the year ended 31 July 2008

	Note	Year ended 31 July 2008 £	Seven month period ended 31 July 2007 £
Cash outflow from operating activities	14	(2,246,809)	(331,761)
Returns on investments and servicing of finance			
Interest received		15,999	4,690
Interest paid		(273,540)	(88,871)
Net cash outflow from returns on investments and servicing of finance		(257,541)	(84,181)
Taxation			
Corporation tax (paid)/received		(324,149)	1,657
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(919,790)	(31,060)
Net cash outflow from capital expenditure and financial investment		(919,790)	(31,060)
Cash outflow before financing		(3,748,289)	(445,345)
Financing			
New bank loan		250,000	—
Repayments on bank loan during the year		(20,833)	—
New loan from parent company		6,046,407	—
Repayment of director's loan		(4,150,000)	—
Net cash inflow from financing		2,125,574	—
Decrease in cash for the year/period	15	(1,622,715)	(445,345)

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

1 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	Year ended 31 July 2008	Seven month period ended 31 July 2007
	£	£
Auditor's remuneration – audit services	17,000	8,800
Auditor's remuneration – other services	2,500	1,500
Depreciation	298,555	112,036
Loss on sale of fixed assets	–	878
Operating lease rentals – land and buildings	114,925	–
Operating lease rentals – plant and machinery	13,274	6,471
	<u> </u>	<u> </u>

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 July 2008. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements.

2 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 July 2008	Seven month period ended 31 July 2007
	£	£
Bank interest receivable	15,999	4,690
	<u> </u>	<u> </u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 July 2008	Seven month period ended 31 July 2007
	£	£
Bank interest payable	85,356	2,370
Interest payable on loan from director	213,576	165,972
Interest payable on loan from holding company	136,710	–
Other interest and charges	154,289	31,414
	<u> </u>	<u> </u>
	<u>589,931</u>	<u>199,756</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	Year ended 31 July 2008 £	Seven month period ended 31 July 2007 £
Wages and salaries	1,750,075	867,356
Social security costs	198,873	96,321
Pension costs (note 17)	35,464	16,480
	1,984,412	980,157

The average number of employees (including directors) during the year was:

	Year ended 31 July 2008 Number	Seven month period ended 31 July 2007 Number
Mechanical	11	8
Sales and distribution	26	16
Administration	29	25
Directors	3	3
	69	52

One director received emoluments of £15,262 during the year (2007: £16,602). No contributions (2007: £nil) were made to the pension scheme in respect of the directors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

5 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITY**(a) The taxation (credit)/charge for the year/period is made up as follows:**

	Year ended 31 July 2008 £	Seven month period ended 31 July 2007 £
Corporation tax		
UK corporation tax (at 30%)	–	154,351
Over provision in previous periods	(270,984)	(377)
	<u>(270,984)</u>	<u>153,974</u>
Current tax (credit)/charge (note 5(b))	(270,984)	153,974
Deferred tax		
Current year (credit)	–	(7,989)
	<u>–</u>	<u>(7,989)</u>
Tax on (loss)/profit on ordinary activity	<u>(270,984)</u>	<u>145,985</u>

(b) Factors affecting the tax (credit)/charge for the year:

	Year ended 31 July 2008 £	Seven month period ended 31 July 2007 £
(Loss)/profit on ordinary activity before tax	<u>(1,415,422)</u>	<u>459,468</u>
(Loss)/profit on ordinary activity multiplied by standard rate of corporation tax in the UK of 30%	(424,627)	137,840
Effects of:		
Expenses not deductible for tax purposes	2,820	7,223
Depreciation in excess of capital allowances	–	18,776
Capital allowances in excess of depreciation	(8,726)	–
Small companies relief	–	(9,503)
Other timing differences	(3,982)	15
Trading losses carried back against previous periods	256,336	–
Trading losses carried forward	178,179	–
	<u>–</u>	<u>154,351</u>
Adjustment to tax charge in respect of previous periods	(270,984)	(377)
Current tax (credit)/charge for year (note 5(a))	<u>(270,984)</u>	<u>153,974</u>

(c) Unprovided deferred tax:

At 31 July 2008, there was an unprovided deferred tax asset amounting to approximately £178,000. The unprovided deferred tax asset comprises trading losses carried forward. This asset is not included in the financial statements due to uncertainty concerning the timing of the future recovery.

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

6 TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Plant, equipment, fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 August 2007	4,365,536	22,170	563,769	23,561	4,975,036
Additions	–	30,127	586,329	303,334	919,790
At 31 July 2008	4,365,536	52,297	1,150,098	326,895	5,894,826
Depreciation					
At 1 August 2007	78,351	–	324,409	9,522	412,282
Charge for the year	77,108	3,885	180,745	36,817	298,555
At 31 July 2008	155,459	3,885	505,154	46,339	710,837
Net book value at 31 July 2008	4,210,077	48,412	644,944	280,556	5,183,989
Net book value at 31 July 2007	4,287,185	22,170	239,360	14,039	4,562,754

Included within freehold property is land at a cost of £1,400,000 (2007: £1,400,000) which is not depreciated.

7 STOCKS

	2008 £	2007 £
Vehicle and parts stock held for resale	6,483,641	4,349,881

Included within the total stock figure is £1,845,239 (2007: £741,411) of consignment stock.

8 DEBTORS

	2008 £	2007 £
Trade debtors	325,348	223,462
Other debtors	150,298	98,797
Corporation tax recoverable	272,415	–
Other taxation recoverable	58,259	–
Due from parent company	71,834	–
Due from fellow subsidiary	563	–
Prepayments and accrued income	359,403	277,135
	1,238,120	599,394

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank overdraft	1,816,239	192,514
Current instalments due on bank loan	25,000	—
Loan from parent company (note 10)	500,000	—
Payments received on account	284,778	476,323
Trade creditors	482,040	670,525
Consignment stock	1,845,239	741,411
Corporation tax	—	322,718
Other taxes and social security	88,605	64,047
Due to fellow subsidiary	26,683	—
Accruals and deferred income	837,811	500,262
	<u>5,906,395</u>	<u>2,967,800</u>

The consignment stock finance creditor is secured against the relevant vehicle stocks.

The bank loan and overdraft is secured by a Debenture over the company's assets other than its freehold property and by a Corporate Cross-Guarantee between the company and other group companies (Lind Group Holding Company Limited, Lind US Limited and Lind Motorrad Limited).

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Loan from director	—	4,150,000
Loan from parent company	5,546,407	—
Bank loan	204,167	—
	<u>5,750,574</u>	<u>4,150,000</u>

Interest was payable on the loan from the director at a rate equivalent to 1.25% above base rate. The loan from the parent company is also on the same terms. No formal agreement is in place, but the Directors do not anticipate repayment within 5 years.

LIND AG LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2008

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

The bank loan, which bears interest at 1.25% over base rates, is repayable in equal monthly instalments over 10 years and has a maturity profile as follows:

	2008 £	2007 £
Due after more than one year, but not more than two years	25,000	—
Due in more than two years, but not more than five years	75,000	—
Due after more than five years	104,167	—
Total due after more than one year	204,167	—
Due within one year	25,000	—
	229,167	—

11 CALLED UP EQUITY SHARE CAPITAL

	2008 £	2007 £
Authorised		
2 ordinary shares of £1 each	2	2
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

12 RESERVES

	Profit and loss account £
Balance at 1 August 2007	2,395,077
Loss for the financial year	(1,144,438)
Balance at 31 July 2008	1,250,639

13 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2008 £	2007 £
(Loss)/profit for the financial year/period	(1,144,438)	313,483
Opening equity shareholder's funds	2,395,079	2,081,596
Closing equity shareholder's funds	1,250,641	2,395,079

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

14 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year ended 31 July 2008	Seven month period ended 31 July 2007
	£	£
Operating (loss)/profit	(841,490)	654,534
Depreciation	298,555	112,036
Loss on disposal of tangible fixed assets	—	878
Increase in stocks	(2,133,760)	(709,565)
Increase in debtors	(366,311)	(258,819)
Increase/(decrease) in creditors	796,197	(130,825)
Net cash outflow from operating activities	(2,246,809)	(331,761)

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Year ended 31 July 2008	Seven month period ended 31 July 2007
	£	£
Change in net debt resulting from cash flows	(1,622,715)	(445,345)
New bank loan	(250,000)	—
Repayments on bank loan	20,833	—
New loan from parent company	(6,046,407)	—
Repayment of director's loan	4,150,000	—
Movement in net debt in the year/period	(3,748,289)	(445,345)
Net debt brought forward	(4,341,664)	(3,896,319)
Net debt carried forward	(8,089,953)	(4,341,664)

LIND AG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

16 ANALYSIS OF NET DEBT

	1 August 2007 £	Cash flow £	31 July 2008 £
Cash at bank and in hand	850	1,010	1,860
Bank overdraft	(192,514)	(1,623,725)	(1,816,239)
Net overdraft	(191,664)	(1,622,715)	(1,814,379)
Unsecured debt due after one year – loan from director	(4,150,000)	4,150,000	–
Unsecured debt due within one year – loan from parent company	–	(500,000)	(500,000)
Unsecured debt due after one year – loan from parent company	–	(5,546,407)	(5,546,407)
Bank loan	–	(229,167)	(229,167)
Net debt	(4,341,664)	(3,748,289)	(8,089,953)

17 PENSION COSTS

The company contributes to a group personal pension plan for individuals. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £35,464 (2007: £16,480). At 31 July 2008 the company had outstanding pension contributions of £nil (2007: £6,115) and no prepaid amounts (2007: £nil).

18 LEASING COMMITMENTS

The annual commitments under non-cancellable operating leases comprise liabilities in respect of leasing expiring:

	2008 £	2007 £
Plant and machinery		
Within one year	–	9,261
Between one and two years	14,814	–
	<u>14,814</u>	<u>9,261</u>

19 CAPITAL COMMITMENTS

At 31 July 2008, the company had capital commitments authorised but not contracted amounting to £nil (2007: £nil).

20 ULTIMATE CONTROLLING PARTY

The company is controlled by Mr G M Dacre. Up until 31 March 2008, this was by virtue of being the company's sole shareholder. On 1 April 2008 a new group structure was formed under Lind Group Holding Company Limited, with Mr Dacre exchanging his shareholding in the company for a 100% shareholding in Lind Group Holding Company Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

21 RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the company purchased from, or sold vehicles to, the following directors:

	Year ended 31 July 2008		Seven month period ended 31 July 2007	
	Sales £	Purchases £	Sales £	Purchases £
G M Dacre	370,962	306,971	95,802	95,000
R B Dacre	111,254	108,086	18,400	–

On 1 April 2008, the loan of £4,150,000 from G M Dacre was replaced by an identical loan from Lind Group Holding Company Limited, the company's parent company. Both loans attracted interest at 1.25% over base rates. At the balance sheet date, there was loan interest remaining unpaid to Mr Dacre of £379,492 (2007: £97,127). At the balance sheet date, there was loan interest due to the Lind Group Holding Company Limited within accruals of £136,710 (2007: £nil).

During the year, the company began renting premises from G M Dacre. The charge in the accounts for rent paid for these premises was £104,633 (2007: £nil). There were no rental amounts payable to Mr Dacre at balance sheet date (2007: £nil).

The company incurred head office expenses of £150,455 (2007: £nil) which were recharged to Lind Group Holding Company Limited.