

Teamworks Karting Limited

Annual report and financial statements

for the year ended 28 February 2006

Registered number: 03822178

Teamworks Karting Limited

Annual report and financial statements for the year ended 28 February 2006

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Teamworks Karting Limited

Directors and advisors for the year ended 28 February 2006

Directors

Michael Bryant
Simone Schehtman
Paul Davis

Secretary

Michael Bryant

Registered office

202 Fazeley Street
Birmingham
B5 5SE

Accountants

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Business address

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Birmingham
B5 5SE

Bankers

HSBC (London)
The Helicon
1 South Place
London
EC2M 2UP

Teamworks Karting Limited

Directors' report for the year ended 28 February 2006

The directors present their report and financial statements for the period ended 28 February 2006.

Principal activities

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

Directors

The following directors have held office since 29 February 2004:

Michael Bryant
Simone Schehtman
Paul Davis

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 0.01p each	
	2006	2005
Michael Bryant	320,000	320,000
Simone Schehtman	320,000	320,000
Paul Davis	40,000	40,000

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Michael Bryant
Director

10 November 2006

Teamworks Karting Limited

Profit and loss account for the year ended 28 February 2006

	Notes	2006 £	2005 £
Turnover		678,726	570,613
Cost of sales		(371,662)	(438,752)
Gross profit		307,064	131,861
Administrative expenses		(444,926)	(253,483)
Other operating income		4,293	900
Operating loss	2	(133,569)	(120,722)
Loss on disposal of discontinued operations	2	-	(86,776)
Loss on ordinary activities before interest and taxation		(133,569)	(207,498)
Other interest receivable and similar income		120	3,073
Interest payable and similar charges		(21,483)	(9,121)
Loss on ordinary activities before taxation		(154,932)	(213,546)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	10	(154,932)	(213,546)

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

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

Teamworks Karting Limited

Balance sheet as at 28 February 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	4	251,256	294,536
Current assets			
Stock		8,984	-
Debtors	5	9,775	55,002
Cash at bank and in hand		18,444	10,547
		37,203	65,549
Creditors: amounts falling due within one year	6	(282,726)	(134,838)
Net current liabilities		(245,523)	(69,289)
Total assets less current liabilities		5,732	225,247
Creditors: amounts falling due after more than one year	7	(156,250)	(220,833)
Net (liabilities)/assets		(150,518)	4,414
Capital and reserves			
Called up share capital	9	101	101
Share premium account	10	752,466	752,466
Profit and loss account	10	(903,085)	(748,153)
Shareholders' (deficit)/funds – equity interests	11	(150,518)	4,414

In preparing these financial statements:

- a. The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- b. No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- c. The directors acknowledge their responsibilities for:
 - i. ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 10 November 2006.

Michael Bryant
Director

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2006

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	over the term of the lease
Plant and machinery	25% straight line
Computer equipment	33.33% straight line

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2006 (continued)

2 Operating loss

	2006	2005
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	53,066	67,537
Operating lease rentals	-	9,765
Directors' emoluments	50,000	43,750
Operating loss is stated after crediting:		
Government grants	-	900
Profit on disposal of tangible assets	-	(3,410)

3 Taxation

	2006	2005
	£	£
Current tax charge	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(154,932)	(213,546)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2005: 30%)	(46,480)	(64,064)
Effects of:		
Expenses not deductible for tax purposes	347	30,507
Capital allowances for period in excess of depreciation	15,920	1,210
Other timing differences	30,249	32,347
Tax at marginal rates	(36)	-
Current tax charge	-	-

The company has estimated losses of £366,906 (2005: £292,736) available for carry forward against future trading profits.

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2006 (continued)

4 Tangible fixed assets

	Land and buildings	Plant and machinery	Computers	Total
	£	£	£	£
Cost				
At 1 March 2005	243,930	274,701	-	518,631
Additions	7,117	-	2,669	9,786
At 28 February 2006	251,047	274,701	2,669	528,418
Depreciation				
At 1 March 2005	16,262	207,833	-	224,095
Charge for the period	16,736	35,441	890	53,066
At 28 February 2006	32,998	243,274	890	277,162
Net book value				
At 28 February 2006	218,049	31,427	1,779	251,256
At 28 February 2005	227,668	66,868	-	294,536

5 Debtors

	2006	2005
	£	£
Trade debtors	1,938	6,530
Other debtors	7,837	48,472
	9,775	55,002

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2006 (continued)

6 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	62,500	45,749
Trade creditors	31,645	44,265
Taxation and social security	25,537	13,891
Other creditors	43,463	5,374
Booking deposits	46,248	25,559
Loan from directors	73,333	-
	282,726	134,838

The bank loan and overdraft is secured.

7 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Bank loans	156,250	220,833
Analysis of loans		
Wholly repayable within five years	218,750	250,000
Included in current liabilities	(62,500)	(29,167)
	156,250	220,833
Loan maturity analysis		
In more than one year but not more than two years	62,500	50,000
In more than two years but not more than five years	156,250	150,000
In more than five years	-	20,833

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2006 (continued)

8 Pension costs

Defined contribution

	2006	2005
	£	£
Contributions payable by the company for the period	-	-

9 Share capital

	2006	2005
	£	£
Authorised		
1,100,000 ordinary shares of 0.01p each	110	110
Allotted, called up and fully paid		
1,013,000 ordinary shares of 0.01p each	101	101

10 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 29 February 2005	752,466	(748,153)
Loss for the period	-	(154,932)
Balance at 28 February 2006	752,466	(903,085)

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2006 (continued)

11 Reconciliation of movements in shareholders' (liability)/funds

	2006	2005
	£	£
Loss for the financial period	(154,932)	(213,546)
Proceeds from issue of shares	-	65,000
Net reduction in shareholders' funds	(154,932)	(148,546)
Opening shareholders' funds	4,414	152,960
Closing shareholders' (deficit)/funds	(150,518)	4,414

12 Financial commitments

At 28 February 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006	2005
	£	£
Expiry date:		
In over five years	100,000	100,000

13 Transactions with directors

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

Teamworks Karting Limited

Detailed trading and profit and loss account for the year ended 28 February 2006

	2006	2005
	£	£
Turnover		
Race fees	657,481	557,663
Conference room hire	1,359	1,386
Daily bar takings	11,310	1,107
Café takings	7,665	716
Merchandise	151	37
Commissions receivable	681	9,704
Vending machine	79	-
	678,726	570,613
Cost of sales		
Direct costs	262,659	398,931
Wages and salaries of Track Staff	79,725	22,287
Employers N.I. contributions	4,446	695
Commissions payable	1,670	1,801
Kart consumables	8,953	8,715
Loose tools	101	1,591
	357,554	434,020
Trophies and free champagne prizes	5,776	1,547
All food and drink supplies for circuit	8,332	3,185
	(371,662)	(438,752)
Gross profit	307,064	131,861
Administrative expenses	(444,926)	(253,483)
	(137,862)	(121,622)
Other operating income		
Government grants received	-	900
Rent receivable	3,400	-
Sundry income	893	-
Operating loss	(133,569)	(120,722)
Loss on disposal of discounted operations	-	(86,776)
Other interest receivable and similar income		
Bank interest received	120	3,073
Interest payable		
Bank interest paid	21,483	5,371
Other interest paid	-	3,750
	(21,483)	(9,121)
Loss before taxation	(154,932)	(213,546)

Teamworks Karting Limited

Schedule of administrative expenses for the year ended 28 February 2006

	2006 £	2005 £
Administrative expenses		
Wages and salaries office staff	58,865	20,496
Directors' remuneration	50,000	43,750
Employers' N.I. contributions	9,998	6,866
Directors' pension costs	-	-
Wages/salaries circuit admin staff	27,500	13,750
Wages/salaries of maintenance staff	20,144	9,091
Staff training	685	1,329
Security system and service expenses	1,031	56
Rent re operating leases	-	9,765
Rent re offices and other	92,861	2,890
Rates	15,713	(4,738)
Insurance	18,438	15,759
Charges for water and sewerage rates	1,008	355
Light, heat and power	19,121	-
Cleaning	980	1,196
Repairs and maintenance	7,237	3,115
Service charge payable	-	(395)
Postage	5,312	2,420
Printed materials	3,384	8,035
Books and magazines	9	130
Stationery	2,206	4,470
Advertising and PR fees	4,580	4,538
Mobile telephones	1,824	1,608
Fixed telephones	4,279	2,497
Computer costs	4,533	5,150
Hire of equipment	953	1,716
Travelling expenses	1,147	5,141
Subsistence	377	548
Entertaining	1,155	985
Research and development	30	-
Legal and professional fees	1,287	9,160
Consultancy fees	14,619	5,767
Accountancy	3,509	(263)
Bank charges	4,625	4,980
C.C. % commissions and terminal rentals	7,828	7,257
Staff welfare	(147)	-
Staff uniforms	626	335
Sundry expenses	5,838	1,402
Charitable donations	50	50
Subscriptions	375	145
Amortisation on short leasehold	16,736	16,262
Depreciation on plant and machinery	22,011	36,781
Depreciation on FF & E	14,320	14,494
Profit/losses on disposal of tangibles	-	(3,410)
	444,926	253,483