

Teamworks Karting Limited

Annual report and financial statements

for the year ended 28 February 2007

Registered number: 03822178

Teamworks Karting Limited

Annual report and financial statements for the year ended 28 February 2007

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Directors and advisors for the year ended 28 February 2007

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

202 Fazeley Street
Birmingham
B5 5SE

Bankers

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

Directors' report for the year ended 28 February 2007

The directors present their report and financial statements for the period ended 28 February 2007.

Principal activities

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

Review of results and dividends

The company's profit for the financial year is £45,434 (2006: loss of £154,932). The directors do not recommend payment of a dividend (2006:Nil).

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	
	2007	2006
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.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 28 February 2007 and that applicable accounting standards have been followed.

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.

On behalf of the board

Michael Bryant
Director
[]

Teamworks Karting Limited

Profit and loss account for the year ended 28 February 2007

	Notes	2007 £	2006 £
Turnover		368,445	678,726
Cost of sales		(158,957)	(371,662)
Gross profit		209,488	307,064
Administrative expenses	2	(155,751)	(444,926)
Other operating income		8,900	4,293
Operating profit/(loss)	2	62,637	(133,569)
Loss on disposal of discontinued operations	2	-	-
Profit/(loss) on ordinary activities before interest and taxation		62,637	(133,569)
Other interest receivable and similar income		459	120
Interest payable and similar charges		(17,662)	(21,483)
Profit/(loss) on ordinary activities before taxation		45,434	(154,932)
Tax on loss on ordinary activities	3	-	-
Profit/ (loss) on ordinary activities after taxation	10	45,434	(154,932)

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.

There is no difference between the profit on ordinary activities before taxation and the profit for the year above and their historical cost equivalents.

Teamworks Karting Limited

Balance sheet as at 28 February 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	4	223,290	251,256
Investments	5	1	-
Current assets			
Stock		7,205	8,984
Debtors	6	418,253	9,775
Cash at bank and in hand		28,289	18,444
		453,747	37,203
Creditors: amounts falling due within one year	7	(688,372)	(282,726)
Net current liabilities		(234,625)	(245,523)
Total assets less current liabilities		(11,334)	5,732
Creditors: amounts falling due after more than one year	8	(93,750)	(156,250)
Net liabilities		(105,084)	(150,518)
Capital and reserves			
Called up share capital	10	101	101
Share premium account	11	752,466	752,466
Profit and loss account	11	(857,651)	(903,085)
Equity shareholders' deficit	12	(105,084)	(150,518)

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 [].

Michael Bryant
Director

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2007

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 2007 (continued)

2 Operating profit/(loss)

	2007	2006
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	31,852	53,066
Operating lease rentals	-	-
Directors' emoluments	33,333	50,000

In previous accounts the results for all members of the group were treated as being for the account of Teamworks Karting Limited as parent company with subsidiary companies effectively acting as dormant agencies with effect 1 March 2006 all transactions have been recorded in the individual trading companies to which they relate.

3 Taxation

	2007	2006
	£	£
Current tax charge	-	-
Factors affecting the tax charge for the period		
Profit/(loss) on ordinary activities before taxation	45,434	(154,932)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006: 30%)	13,630	(46,480)
Effects of:		
Expenses not deductible for tax purposes	956	347
Capital allowances for period in excess of depreciation	686	15,920
Other timing differences	(15,272)	30,249
Tax at marginal rates	-	(36)
Current tax charge	-	-

The company has estimated losses of £354,501 (2006: £366,906) available for carry forward against future trading profits.

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2007 (continued)

4 Tangible fixed assets

	Land and buildings	Plant and machinery	Computers	Total
	£	£	£	£
Cost				
At 1 March 2006	251,047	274,701	2,669	528,418
Additions	-	3,127	759	3,886
At 28 February 2007	251,047	277,829	3,428	532,304
Depreciation				
At 1 March 2006	32,998	243,274	890	277,162
Charge for the period	16,736	13,972	1,143	31,852
At 28 February 2007	49,734	257,246	2,033	309,014
Net book value				
At 28 February 2007	201,313	20,582	1,395	223,290
At 28 February 2006	218,049	31,427	1,779	251,256

5 Investment

	2007	2006
1 ordinary share of 100p each in Teamworks Karting Birmingham Limited	1	-

6 Debtors

	2007	2006
	£	£
Trade debtors	6,266	1,938
Other debtors	6,512	7,837
Amounts owed from group companies - expenses	405,475	-
	418,253	9,775

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2007 (continued)

7 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	62,500	62,500
Trade creditors	45,834	31,645
Taxation and social security	32,675	25,537
Amounts owed to group undertakings	368,445	-
Other creditors	24,752	43,463
Booking deposits	54,489	46,248
Loan from directors	99,677	73,333
	688,372	282,726

The bank loan and overdraft is secured.

8 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans	93,750	156,250
Analysis of loans		
Wholly repayable within five years	156,250	218,750
Included in current liabilities	(62,500)	(62,500)
	93,750	156,250
Loan maturity analysis		
In more than one year but not more than two years	62,500	62,500
In more than two years but not more than five years	93,750	156,250
In more than five years	-	-

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Notes to the financial statements for the year ended 28 February 2007 (continued)

9 Pension costs

Defined contribution

	2007	2006
	£	£
Contributions payable by the company for the period	-	-

10 Share capital

	2007	2006
	£	£
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

11 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 28 February 2006	752,466	(903,085)
Profit for the period		45,434
Balance at 28 February 2007	752,466	(857,651)

Teamworks Karting Limited

Notes to the financial statements for the year ended 28 February 2007 (continued)

12 Reconciliation of movements in equity shareholders' (liability)/funds

	2007	2006
	£	£
Profit/(loss) for the financial period	45,434	(154,932)
Proceeds from issue of shares	-	-
Net increase/(reduction) in shareholders' funds	45,434	(154,932)
Opening equity shareholders' (deficit)/ funds	(150,518)	4,414
Closing equity shareholders' deficit	(105,084)	(150,518)

13 Financial commitments

At 28 February 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
In over five years	100,000	100,000

14 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 2007

	2007	2006
	£	£
Turnover		
Race fees	327,170	657,481
Conference room hire	3,347	1,359
Daily bar takings	7,735	11,310
Café takings	6,900	7,665
Merchandise	470	151
Commissions receivable	1,830	681
Vending machine	1,023	79
Outsourced catering	19,465	-
Car parking	507	-
	368,445	678,726
Cost of sales		
Direct costs	135,915	262,659
Wages and salaries	-	79,725
Employers N.I. contributions	-	4,446
Commissions payable	701	1,670
Kart consumables	-	8,953
Loose tools	-	101
Catering	-	-
	136,616	357,554
Trophies and champagne	6,893	5,776
All food and drink supplies for circuit	15,448	8,332
	(158,957)	(371,662)
Gross profit	209,488	307,064
Administrative expenses	(155,751)	(444,926)
	(53,737)	(137,862)
Other operating income		
Government grants received	-	-
Rent receivable	4,400	3,400
Sundry income	4,500	893
Operating profit/(loss)	62,637	(133,569)
Loss on disposal of discounted operations	-	-
Other interest receivable and similar income		
Bank interest received	459	120
Interest payable		
Bank interest paid	17,662	21,483
Other interest paid	-	-
	(17,662)	(21,483)
Profit /(Loss) before taxation	45,434	(154,932)

Teamworks Karting Limited

Schedule of administrative expenses for the year ended 28 February 2007

	2007	2006
	£	£
Wages and salaries office staff	-	58,865
Directors' remuneration	33,333	50,000
Employers' N.I. contributions	3,681	9,998
Wages/salaries circuit admin staff	-	27,500
Wages/salaries of maintenance staff	-	20,144
Staff training	296	685
Security guards and service expenses	1,083	1,031
Rent re offices and other	-	92,861
Rates	-	15,713
Insurance	11,184	18,438
Charges for water and sewerage rates	-	1,008
Light and heat	-	19,121
Cleaning	-	980
Repairs and maintenance	-	7,116
Postage	6,335	5,312
Printed materials	6,821	3,384
Books and magazines	98	9
Stationary	2,231	2,206
Advertising and PR fees	3,205	4,580
Mobile telephones	690	1,824
Telephone	2,937	4,279
Computer costs	1,842	4,533
Hire of equipment	53	953
Travelling expenses	1,043	1,147
Subsistence	69	377
Entertaining	181	1,155
Research and development	-	30
Legal and prof fees	1,034	1,287
Consultancy fees	29,880	14,619
Accountancy	4,117	3,509
Bank charges	4,486	4,625
C.C. % commissions and terminal rentals	7,384	7,828
Staff welfare	-	(147)
Staff uniforms	-	626
Sundry expenses	(10)	5,838
Charitable donations	1,538	50
Subscriptions	389	375
Amortisation on short leasehold	16,736	16,736
Depreciation on plant and machinery	-	22,011
Depreciation on FF & E	13,972	14,320
Depreciation on computers	1,143	-
	155,751	444,926