

EARLWELL LIMITED
COMPANY NO: 2548749
AUDITORS' REPORT AND
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2005



EARLWELL LIMITED

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**WILKINS KENNEDY
CHARTERED ACCOUNTANTS
BRIDGE HOUSE
LONDON BRIDGE
LONDON SE1 9QR**

EARLWELL LIMITED**AUDITORS' REPORT**

TO

EARLWELL LIMITED**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 and 4, together with the accounts of the company for the period ended 31st December 2005 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "the special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 and 4 are properly prepared in accordance with those provisions.



Wilkins Kennedy
Chartered Accountants and
Registered Auditor,
Bridge House,
London Bridge,
London SE1 9QR.

30th October 2006

EARLWELL LIMITED
ABBREVIATED BALANCE SHEET
31ST DECEMBER 2005

	Note	2005	2004
Fixed assets			
Investments	(2)	1,608,001	1,608,001
		<hr/>	<hr/>
Creditors: amounts falling due within one year		(289,426)	(376,003)
		<hr/>	<hr/>
Net current liabilities		(289,426)	(376,003)
		<hr/>	<hr/>
Total assets less current liabilities		1,318,575	1,231,998
Creditors: amounts falling due after more than one year	(3)	(467,281)	(467,281)
		<hr/>	<hr/>
Net assets		£851,294	£764,717
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	(4)	100	100
Profit and loss account		851,194	764,617
		<hr/>	<hr/>
Shareholders' funds		£851,294	£764,717
		<hr/>	<hr/>

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

The accounts were approved by the sole director on 30th October 2006

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M. Melly

The accompanying notes form an integral part of these accounts.

EARLWELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005

1. Accounting policies

The principal accounting policies, which have been consistently applied, are:-

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Consolidation

The company and its subsidiary comprise a small group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

(c) Investments

Investments are stated at the lower of cost and directors' valuation.

(d) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Any tax losses generated are surrendered to the company's subsidiary.

Provision is made at current rates for tax deferred in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable. The company has not adopted a policy of discounting deferred tax assets and liabilities.

(e) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that it is a small company.

2. Investments

	2004	2005
Cost		
At beginning and end of year	£1,608,001	£1,608,001

Subsidiary undertaking

The company's investment in its subsidiary undertaking represents the cost of acquisition of the whole of the ordinary share capital of Allan Taylor (Motors) Limited, a company registered in England and Wales, which receives income from property letting.

At 31st December 2005, the aggregate of the share capital and reserves of Allan Taylor (Motors) Limited amounted to £5,105,322 (2004 - £4,555,752) and the profit before taxation for the year to that date was £147,511 (2004 - £170,538).

EARLWELL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2005

3. Creditors: amounts falling due after more than one year	2005	2004
Other creditors		
- repayable within five years otherwise than by way of instalment	£467,281	£467,281
	<hr/>	<hr/>

Other creditors comprise of a loan repayable (other than by instalments) by 14th August 2009 and which carries a rate of interest of 6.5% per annum.

4. Called up share capital	2005	2004
Authorised:		
1,000 Ordinary shares of £1 each	£1,000	£1,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>

5. Ultimate parent company and controlling party

The ultimate parent company is Lydia Investments Limited a British Virgin Islands company.

The director regards Mrs. S.J. Gulabani as the ultimate controlling party.