

**Mann Egerton and Company Limited**  
(Registered Number: 83780)

**Annual Report and Accounts**

**For the year ended 31 December 2001**



Suite 3, Rushmoor Court  
Croxley Business Park  
Hatters Lane  
Watford  
Hertfordshire WD18 8PY

# Mann Egerton and Company Limited

## Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

### Principal activities

The principal activity of the company is that of an intermediate holding company. There were no discontinued activities.

### Review of business and future developments

On 17<sup>th</sup> December 2001, one of the Company's subsidiaries went into liquidation. With the exception of this, it is not envisaged that there will be any change in the Company's activities in the foreseeable future.

### Results and dividends

The company did not trade during the year, therefore no profit and loss account has been prepared. There were no dividends paid throughout the year (2000: nil), and the directors do not recommend the payment of a final dividend (2000: nil).

### Directors and their interests

The directors who held office during the year were as follows:

D S Green  
M Wheatley

No director had any interest in the shares of the Company (or any of its subsidiaries or intermediate parent undertaking) at either 1 January 2001 or 31 December 2001.

The table below shows the interests, other than options, including family interests, in the ordinary shares of Inchcape plc, the ultimate parent undertaking, of the persons who were directors at 31 December 2001.

	Ordinary shares of 150p each	
	31 December 2001	1 January 2001
D Green	54	54
M Wheatley	Nil	Nil

# Mann Egerton and Company Limited

## Directors' Report (continued)

### Director's share options

	Held at 31.12.00	Granted during the year	Lapsed, cancelled or waived during the year	Held at 1.1.00 (or date of appointment)	Exercise price (c)	When exercisable
D Green	238 (b)	-	-	238	£3.25	Dec 2002 - Jun 2003
	488 (b)	-	-	488	£2.38	Nov 2003 - May 2004
	251 (b)	251 (b)	-	-	£3.08	Jun 2004 - Nov 2004
M Wheatley	2,577 (a)	-	-	2,577	£3.88	Sept 2002 - Sept 2009
	7,042 (a)	-	-	7,042	£2.84	Aug 2003 - Aug 2010
	5,208 (a)	5,208 (a)	-	-	£3.84	Mar 2004 - Mar 2011

(a) Under the Inchcape 1999 Share Option Plan.

(b) Under the Inchcape SAYE Share Option Scheme.

(c) Exercise prices are determined in accordance with the Rules of the relevant Share Option Scheme.

No options under any of the Company's share option schemes were exercised during the year. All options were granted for nil consideration.

### Notes on share options

The table above shows Directors' options over ordinary shares of 150p at 1 January 2001 and 31 December 2001. The mid-market price of shares of 150p each at 31 December 2001 was £6.06p. The price range during 2001 was £2.75p to £6.15p.

Options under the 1999 Plan are granted on a discretionary basis to full time senior executives based within, and outside, the UK including executive directors of Inchcape plc. Such options are exercisable between three and ten years of grant.

The Inchcape SAYE Share Option Scheme is open to employees with at least three months service.

### Transactions with Directors

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 1985 was outstanding at 31 December 2001, or occurred during the year for any Director (2000: none).

# Mann Egerton and Company Limited

## Directors' Report (continued)

### Statement of Directors' Responsibilities

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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

### Elective resolutions

The elective resolutions passed in 1991 continue to be in force.

### Auditors

Pursuant to Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, PricewaterhouseCoopers have indicated their willingness to remain in office.

### By order of the board



M Wheatley  
Secretary

Date 10 July 2002

# **Mann Egerton and Company Limited**

## **Report of the Independent Auditors to the Members of Mann Egerton and Company Limited**

We have audited the financial statements on pages 5 to 8.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.


### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards 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 of the state of the company's affairs of the Company at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

Date 17 June 2002

# Mann Egerton and Company Limited

## Balance Sheet at 31 December 2001

	<i>Note</i>	2001 £'000	2000 £'000
<b>Fixed assets</b>			
Investments	3	-	-
<b>Current assets</b>			
Debtors	4	40,287	40,287
<b>Net current assets</b>		40,287	40,287
<b>Net assets</b>		40,287	40,287
<b>Capital and reserves</b>			
Called up share capital	5	37,679	37,679
Share premium account	6	1,925	1,925
Profit and loss account	6	683	683
<b>Equity shareholders' funds</b>		40,287	40,287

The financial statements on pages 5 to 8 were approved by the Board of directors on the 10<sup>th</sup> day of June 2002 and were signed on its behalf by:



Director

# Mann Egerton and Company Limited

## Notes to the Accounts For the Year Ended 31 December 2001

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The principal accounting policies of the company are described below.

**Accounting convention** The financial statements are prepared under the historical cost basis, and in accordance with the Companies Act 1985.

**Group accounts** In accordance with the exemption permitted by Section 228 of the Companies Act 1985 no group accounts have been prepared.

**Fixed Asset Investments** are stated at cost, less provision for impairment in value.

Changes in accounting policies FRS 18 has been adopted in the current year but this did not require any change in accounting policy.

### 2 Directors' emoluments, auditors remuneration and employee information

The company has no employees and hence has no salary, social security or pension costs. As in 2000, remuneration to the Company's directors for services to the Company is paid for and borne by other group companies.

As in 2000, auditors' remuneration has been borne by a fellow subsidiary undertaking on behalf of the Company.

### 3 Fixed asset investments

	Investment in subsidiary undertakings £'000	Other fixed asset investments £'000	Total £'000
<b>Cost</b>			
At 1 January 2001	105	-	105
Transfer to Other Fixed Asset Investments	(105)	105	-
At 31 December 2001	-	105	105
<b>Amounts provided for</b>			
At 1 January 2001	(105)	-	(105)
Transfer to Other Fixed Asset Investments	105	(105)	-
At 31 December 2001	-	(105)	(105)
<b>Net book value</b>			
At 31 December 2001	-	-	-
At 31 December 2000	-	-	-

# Mann Egerton and Company Limited

## Notes to the Accounts For the Year Ended 31 December 2001

### Fixed asset investments (continued)

In the opinion of the directors of the Company the aggregate market value of the shares in and the amounts owing from the Company's subsidiaries is not less than the amount as shown in the balance sheet.

Shares in subsidiaries undertakings and other investments are stated at cost less provision for impairments. A list of subsidiary undertakings and other investments, their country of incorporation, proportion of the nominal value of shares held and principle activity is given below:

	Country of Incorporation of registration	Proportion of Nominal Value of Share held	Principal activity
<b>Subsidiary undertakings</b>			
Inchcape Vehicle Contracts Limited (formerly Mann Egerton Vehicle Contracts Limited)	UK	100%	Vehicle contract hire
<b>Other fixed asset investments</b>			
Ternstar Limited	UK	100%	In liquidation

The company included in other fixed asset investments was put into members voluntary liquidation on 17 December 2001. Although wholly owned, these companies are included as fixed asset investments as opposed to subsidiaries because of the severe long-term restrictions now in place.

This investment was fully provided for in previous years.

## 4 Debtors

	2001 £'000	2000 £'000
Amounts owed from fellow subsidiaries	40,287	40,287

All of the above amounts are due within one year

## 5 Called up share capital

	2001 £'000	2000 £'000
<b>Authorised</b>		
160,000,000 ordinary shares of 25p each	40,000	40,000
<b>Allotted, called up and fully paid</b>		
150,714,788 ordinary shares of 25p each	37,679	37,679



# Mann Egerton and Company Limited

## Notes to the Accounts For the Year Ended 31 December 2001

### 6 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2001 and 31 December 2001	1,925	683

### 7 Cash flow statement

A cash flow statement is not required as Inchcape plc, the Company's ultimate holding company, has complied with Financial Reporting Standard 1 (revised) by including a consolidated cash flow statement in its Report and Accounts for the year ended 31 December 2001.

### 8 Related party transactions

The Company's ultimate parent undertaking is Inchcape plc and it has applied the exemption in paragraph 3(c) of Financial Reporting Standard 8 ("FRS 8") "Related Party Disclosures". This exemption permits the non-disclosure of transactions and balances with related parties that are included in the financial statements of Inchcape plc. The directors consider that there are no other relationships, transactions or balances that are required to be disclosed by FRS 8.

### 9 Contingent liabilities

The Company is party to composite cross guarantees between banks, its ultimate parent company and fellow subsidiaries. The Company's contingent liability under these guarantees at 31 December 2001 was £nil (2000: £nil).

### 10 Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking is Inchcape plc, a public company incorporated in England and Wales. Copies of Inchcape plc's consolidated financial statements may be obtained from the Secretary at the Company's registered office, 22a St. James's Square, London, SW1Y 5LP. The parent undertaking, which heads the smallest and largest groups for which consolidated financial statements are prepared is Inchcape plc.