

Kenning Motor Group Limited

(Registered Number: 249065)

Annual Report and Financial Statements

For the year ended 31 December 2009

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COMPANIES HOUSE

Inchcape House
Langford Lane
Kidlington
Oxford
OX5 1HT

Kenning Motor Group Limited

Directors' report

Directors' report for the year ended 31 December 2009

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2009

Principal activities

The Company's principal activity during the year was that of an intermediate holding company

Review of business and future developments

It is not envisaged that there will be any change in the Company's activities in the foreseeable future

Financial and principal risks

The Directors of Inchcape plc manage the Group's risk at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a disclosure of the Group's risks would not be appropriate for an understanding of the development, performance or position of Kenning Motor Group Limited

Financial instruments

The Directors consider that the Company's key financial instruments are inter-company loans. Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on the inter-company loans. The risk is not considered material and the Company does not employ the use of hedging instruments

Results and dividends

The Company's profit for the financial year is £536,000 (2008: loss of £4,200,000)

There were no interim dividends paid during the year (2008: £nil). The Directors do not recommend the payment of a final dividend (2008: £nil)

Directors and their interests

The Directors who held office during the year were as follows

A C Jeary
M P Wheatley

No Director had any interest in the shares of the Company (or any of its subsidiary undertakings) at either 1 January 2009 or 31 December 2009

Transaction with directors

No transaction, arrangement or agreement required to be disclosed under the terms of the Companies Act 2006 was outstanding at 31 December 2009, or occurred during the year for any Director or connected person (2008: none)

Auditors and disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware

The Directors have taken all the steps that they ought to have taken as directors in order to be made aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Kenning Motor Group Limited

Directors' report (continued)

Auditors

Pursuant to Section 487(2) of the Companies Act 2006, no notice has been proposed by the Company to terminate the appointment of the auditors. The auditors will be deemed to be re-appointed for the next financial year.

By order of the Board



M P Wheatley
Secretary

21st September 2010

Kenning Motor Group Limited

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Kenning Motor Group Limited

Independent auditors' report to the members of Kenning Motor Group Limited

We have audited the financial statements of Kenning Motor Group Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Kenning Motor Group Limited

Independent auditors' report to the members of Kenning Motor Group Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Lawson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 September 2010

Kenning Motor Group Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Net administrative expenses		-	(6,000)
Operating loss	3	-	(6,000)
Interest receivable and similar income	4	745	2,557
Interest payable and similar charges	5	-	(40)
Profit / (loss) on ordinary activities before taxation		745	(3,483)
Tax on profit on ordinary activities	6	(209)	(717)
Profit / (loss) for the financial year		536	(4,200)

The Company has no recognised gains and losses other than the profit / (loss) above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit / (loss) on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

All the activities of the Company are continuing

Kenning Motor Group Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments	7	-	12,493
Current assets			
Debtors – amounts falling due within one year	8	12,494	-
Debtors – amounts falling due after more than one year	9	50,471	49,726
Debtors		62,965	49,726
Creditors – amounts falling due within one year	10	(2,565)	(1,506)
Net current assets		60,400	48,220
Total assets less current liabilities		60,400	60,713
Creditors – amounts falling due after more than one year	11	-	(849)
Net assets		60,400	59,864
Capital and reserves			
Called up share capital	12	16,600	16,600
Share premium account	13	15,476	15,476
Capital redemption reserve	13	1,168	1,168
Profit and loss reserve	13	27,156	26,620
Equity shareholders' funds	14	60,400	59,864

The financial statements on pages 6 to 12 were approved by the Board of Directors on 21st September 2010 and were signed on its behalf by



A C Jeary
Director

Kenning Motor Group Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared on a going concern basis, and in accordance with applicable United Kingdom Accounting Standards. The principal accounting policies of the Company are described below.

The principal accounting policies of the Company have been reviewed in accordance with Financial Reporting Standard 18 'Accounting Policies'.

No new accounting standards have been adopted during the year.

Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006.

Group financial statements

In accordance with the exemption permitted by Section 400 of the Companies Act 2006 no Group financial statements have been prepared.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment in value.

Interest

Interest is included in the profit and loss account on an accruals basis.

2. Directors' emoluments and employee information

As in 2008, the Company has no employees except the Directors and hence has no salary, social security or pension costs. The Directors do not receive any remuneration from the Company as their services to the Company are deemed to be non-qualifying for the purposes of the Companies Act 2006 (as amended).

3. Operating loss

	2009 £'000	2008 £'000
Operating loss is stated after charging:		
Provision for impairment of subsidiary	-	6,000

As in 2008, auditors' remuneration has been borne by a fellow subsidiary undertaking. Of this remuneration £2,000 (2008 £2,000) is deemed to be attributable to the Company.

4. Interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable from group undertakings	745	2,557

5. Interest payable and similar charges

	2009 £'000	2008 £'000
Interest payable to group undertakings	-	40

Kenning Motor Group Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

6. Tax on profit for the year

	2009 £'000	2008 £'000
Current tax:		
UK Corporation tax on profits for the year	209	717

The tax assessed for the year is equal to the profits at the effective large companies' rate of Corporation tax in the UK of 28% (2008 28.5%)

The expected tax charge is reconciled to the actual charge below

	2009 £'000	2008 £'000
Profit / (loss) on ordinary activities before tax	745	(3,483)
Profit / (loss) on ordinary activities multiplied by the effective rate of Corporation tax in the UK of 28% (2008 28.5%)	209	(993)
Effects of		
Non-tax deductible expenses	-	1,710
Current tax charge for the year	209	717

7. Fixed asset investments

	Investment in subsidiary undertakings £'000
Cost	
At 1 January 2009	18,493
Disposal	(12,493)
As at 31 December 2009	6,000
Amounts provided for	
At 1 January 2009 and 31 December 2009	(6,000)
Net book value	
As at 31 December 2009	-
As at 31 December 2008	12,493

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

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Notes to the financial statements for the year ended 31 December 2009 (continued)

7. Fixed asset investments (continued)

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

	Country of incorporation of registration	Proportion of nominal value of shares held	Principal activity
Subsidiary undertakings			
Inchcape Vehicle Contracts Limited	England & Wales	100%	Dormant
Atlantic Leisure Group Limited	England & Wales	100%	Dormant

During the year, as part of a group re-organisation, the Company disposed of its investment in Inchcape Estates Limited to a fellow group company at net book value.

8. Debtors – amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed by group undertakings	12,494	-

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Debtors – amounts falling due after more than one year

	2009 £'000	2008 £'000
Amounts owed by group undertakings	50,471	49,726

Amounts owed by group undertakings are unsecured, bear interest at rates linked to LIBOR and are due for repayment in 2011.

10. Creditors – amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to group undertakings	2,525	1,466
Other creditors and accruals	40	40
	2,565	1,506

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

11. Creditors – amounts falling due after more than one year

	2009 £'000	2008 £'000
Amounts due to group undertakings	-	849

Kenning Motor Group Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

12 Called up share capital

	2009 £'000	2008 £'000
Authorised		
70,000,000 ordinary shares of 25 0p each	17,500	17,500
Allotted and fully paid		
66,400,000 ordinary shares of 25 0p each	16,600	16,600

13. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 January 2009	15,476	1,168	26,620
Profit for the financial year (note 14)	-	-	536
As at 31 December 2009	15,476	1,168	27,156

14. Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit / (loss) for the financial year	536	(4,200)
Opening shareholders' funds	59,864	64,064
Closing shareholders' funds	60,400	59,864

15 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 financial statements for the year ended 31 December 2009. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

16. Contingent liabilities

The Company is part composite cross guarantees between banks, its ultimate parent company and fellow subsidiaries. The Company's contingent liability under these guarantees at 31 December 2009 was £nil (2008: £nil).

17 Related party transactions

The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Inchcape plc group or investees of the Inchcape plc group. The Company has no other relationships, transactions or balances that are required to be disclosed under FRS 8.

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Notes to the financial statements for the year ended 31 December 2009 (continued)

18. Immediate and ultimate parent undertakings

The Company's immediate parent undertaking is Inchcape International Holdings Limited, a company incorporated in England and Wales

The Company's 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 Group Company Secretary at 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