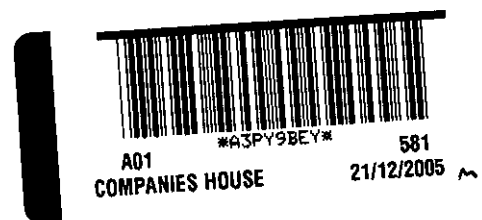


**INCHCAPE ESTATES LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**  
**Registered in England and Wales No. 293551**



Registered Office:  
Suite 3  
Rushmoor Court  
Croxley Business Park  
Hatters Lane  
Watford  
Herts  
WD18 8PY

# INCHCAPE ESTATES LIMITED

## Report of the directors

The Directors submit their report together with the audited accounts for the year ended 31 December 2004.

### 1. Principal activity and review of the year

The principal activity of the Company during the year under review is that of owning and letting property. The majority of properties are let to fellow subsidiaries of the Inchcape plc group. The Company intends to continue this activity in 2005.

The Company will continue to dispose of properties, which are deemed surplus to requirements.

There were no discontinued activities during the year.

On 16 March 2005 the company acquired 100% of the share capital of Inchcape Croydon Property Limited, on that company's incorporation. This shareholding was disposed of on 22 July 2005 to Equity Estates Croydon (General Partner) Limited.

The directors do not foresee any significant changes in the Company or its activities during 2005.

### 2. Results and Dividend

The Company's profit for the financial year is £1,197,000 (2003: £182,000) as disclosed in the profit and loss account on page 5.

The Directors do not recommend the payment of a dividend (2003: £Nil).

### 3. Directors and their interests

The directors who held office throughout the year, except as noted, were:

Mr G J Potts  
Mr M D Raban (resigned 1 October 2005)  
Mr M P Wheatley

No Director of the Company had any interest in the shares of the Company (or any of its subsidiary undertakings) at either 1 January 2004 or 31 December 2004.

Mr G J Potts is a director of the ultimate parent undertaking. Inchcape plc. His interests in the ordinary shares of 150p each of Inchcape plc are disclosed in the accounts of that company.

The table below shows the beneficial interests, other than share options, including family interests, on the dates indicated, in the ordinary shares of 150.0p each of Inchcape plc, the ultimate parent undertaking, of the persons who were Directors at 31 December 2004.

| Ordinary shares of 150.0p each |                    |                  |
|--------------------------------|--------------------|------------------|
|                                | 31st December 2004 | 1st January 2004 |
| M P Wheatley                   | 1,528              | 2,778            |

# INCHCAPE ESTATES LIMITED

## Report of the directors

### 4. Directors' share options

Details of share options held by Directors, including under the Inchcape 1999 Share Option Plan and the Inchcape SAYE Share Option Scheme, are shown below:-

|              | Held at<br>31.12.04 | Granted<br>during the<br>year | Exercised or<br>lapsed during the<br>year | Held at 1.1.04 | Exercise Price<br>(c) | Exercisable Between |
|--------------|---------------------|-------------------------------|---|----------------|-----------------------|---------------------|
| M D Raban    | -                   | -                             | 5,208 (a)                                 | 5,208 (a)      | 384.0p                | Mar 2004 - Mar 2011 |
|              | 2,919 (a)           | -                             | -   | 2,919 (a)      | 685.0p                | Mar 2005 - Mar 2012 |
|              | 2,230 (a)           | -                             | -   | 2,230 (a)      | 762.0p                | Mar 2006 - Mar 2013 |
|              | 1,549 (b)           | -                             | -   | 1,549 (b)      | 610.0p                | Jun 2006 - Nov 2006 |
|              | 3,180 (a)           | 3,180 (a)                     | -   | -              | 1572.0p               | May 2007 - May 2014 |
| M P Wheatley | -                   | -                             | 5,208 (a)                                 | 5,208 (a)      | 384.0p                | Mar 2004 - Mar 2011 |
|              | 2,919 (a)           | -                             | -   | 2,919 (a)      | 685.0p                | Mar 2005 - Mar 2012 |
|              | 1,371 (b)           | -                             | -   | 1,371 (b)      | 554.0p                | Jun 2005 - Nov 2005 |
|              | 2,099 (a)           | -                             | -   | 2,099 (a)      | 762.0p                | Mar 2006 - Mar 2013 |
|              | 309 (b)             | -                             | -   | 309 (b)        | 610.0p                | Jun 2006 - Nov 2006 |
|              | 2,862 (a)           | 2,862 (a)                     | -   | -              | 1572.0p               | May 2007 - May 2014 |

- 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.

#### Notes on share options

- (i) All options were granted for nil consideration.
- (ii) The table shows Directors' options over ordinary shares of 150.0p of Inchcape plc at 1 January 2004 (or date of appointment if later) and 31 December 2004. The mid-market price of the shares at 31 December 2004 was 1955.0p. The price range during the year was 1287.0p to 1955.0p.
- (iii) Options under the Inchcape 1999 Share Option Plan are granted on a discretionary basis to full time certain other senior executives based within and outside the UK including the Executive Directors of Inchcape plc. Such options are normally exercisable between three and ten years of grant.
- (iv) Options may normally be exercised only if the performance target has been met. For all options granted in 1999 to 2003 inclusive under the Inchcape 1999 Share Option Plan, growth in Inchcape plc's, the ultimate parent undertaking, earnings per share over a three year period must exceed the increase on the UK Retail Prices Index over the same period by 3% per annum. Options granted after Inchcape plc's 2004 AGM, when the performance criteria was changed, vest according to a sliding scale: 25.0% of the award will vest if EPS growth of RPI +3.0% per annum is achieved over the initial three year period, with all of the award vesting if EPS growth is RPI +8.0% per annum. Awards will vest on a stepped line basis between these points and there is no opportunity to re-test.

# **INCHCAPE ESTATES LIMITED**

## **Report of the directors**

- (v) The Inchcape SAYE Share Option Scheme is open to employees in the UK with at least three months service. Participants make monthly savings for a three-year period. At the end of the savings period options become exercisable within a six-month period.
- (vi) No options were cancelled or waived during the year.

### **5. Transactions with directors**

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 1985 was outstanding at 31 December 2004, or occurred during the year for any director or connected person (2003: None).

### **6. Directors' responsibility in respect of the preparation of accounts**

The Directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and the profit or loss for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2004. The Directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

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 the Company's system of internal control and for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **7. Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### **8. 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 LLP have indicated their willingness to remain in office.

### **9. Elective resolutions**

In addition to the aforementioned election to dispense with the obligation to appoint auditors annually, further elective resolutions passed by the members, remain in force. These resolutions remove the requirement for the company to:-

- (i) Hold Annual General Meetings; and
- (ii) Lay Report and Accounts before a General Meeting

### **By Order of the Board**



For and on behalf of  
Inchcape UK Corporate Management Limited  
Company Secretary  
Date: 5 DECEMBER 2005

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCHCAPE ESTATES LIMITED**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### **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.

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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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. The other information comprises only the directors' report.

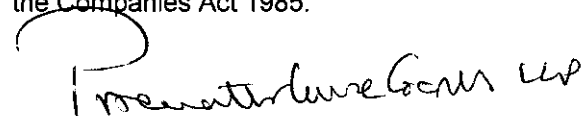
### **Basis of audit opinion**

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 as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Pricewaterhouse Coopers LLP  
Chartered Accountants and Registered Auditors  
London

Date: 12/12/05

# INCHCAPE ESTATES LIMITED

## Profit and loss account For the year ended 31 December 2004

|  | Note | 2004<br>£'000        | 2003<br>£'000        |
|--|------|----------------------|----------------------|
| Turnover   | 1    | 5,787                | 1,504                |
| Cost of sales  | 2    | (4,581)              | (615)                |
| <b>GROSS PROFIT</b>                                  |      | <u>1,206</u>         | <u>889</u>           |
| Administrative income/(expenses)                     | 3    | 997                  | (417)                |
| Net loss on sale of properties                       | 7    | -                    | (131)                |
| <b>Net operating expenses</b>                        |      | <u>997</u>           | <u>(548)</u>         |
| <b>Operating profit</b>                              | 4    | 2,203                | 341                  |
| Net interest (payable)/receivable                    | 8    | <u>(407)</u>         | <u>285</u>           |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | 1,796                | 626                  |
| Tax charge on profit on ordinary activities          | 10   | (599)                | (444)                |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |      | <u>1,197</u>         | <u>182</u>           |
| Dividends  | 9    | -                    | -                    |
| <b>RETAINED PROFIT FOR THE YEAR</b>                  |      | 1,197                | 182                  |
| Profit and loss account brought forward              | 17   | <u>21,560</u>        | <u>21,378</u>        |
| Profit and loss account carried forward              |      | <u><u>22,757</u></u> | <u><u>21,560</u></u> |

There are no recognised gains or losses in either the current or previous financial years other than the profit for the financial year and therefore no statement of total recognised gains and losses is required.

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

# INCHCAPE ESTATES LIMITED

## Balance sheet As at 31 December 2004

|  | Note | 2004<br>£'000   | 2003<br>£'000 |
|--|------|-----------------|---------------|
| <b>Fixed assets</b>                                    |      |                 |               |
| Tangible assets  | 11   | 106,123         | 26,630        |
| <b>Current Assets</b>                                  |      |                 |               |
| Debtors  | 12   | 4,223           | 13,006        |
| Cash   |      | -               | 689           |
|  |      | <u>4,223</u>    | <u>13,695</u> |
| <b>Current Liabilities</b>                             |      |                 |               |
| <b>Creditors</b> - amounts falling due within one year | 13   | (69,567)        | (953)         |
| <b>Net current (liabilities)/assets</b>                |      | <u>(65,344)</u> | <u>12,742</u> |
| <b>Total assets less current liabilities</b>           |      | 40,779          | 39,372        |
| <b>Provisions for liabilities and charges</b>          | 15   | (5,391)         | (5,181)       |
| <b>Net assets</b>                                      |      | <u>35,388</u>   | <u>34,191</u> |
| <b>CAPITAL AND RESERVES</b>                            |      |                 |               |
| Called up share capital                                | 16   | 9,000           | 9,000         |
| Share premium account                                  | 17   | 3,487           | 3,487         |
| Revaluation reserve                                    | 17   | 144             | 144           |
| Profit and loss account                                | 17   | 22,757          | 21,560        |
| <b>EQUITY SHAREHOLDERS' FUNDS</b>                      | 18   | <u>35,388</u>   | <u>34,191</u> |

The financial statements on pages 5 to 13 were approved by the Board of Directors on 5 DECEMBER 2005,

Signed on behalf of the Board of Directors



**M P Wheatley**  
Director

# **INCHCAPE ESTATES LIMITED**

## **Notes to the accounts for the year ended 31 December 2004**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are as described below:

#### **Turnover**

Turnover represents the revenue from the letting of land and buildings, and is wholly derived in the United Kingdom.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Following the implementation of FRS15 the Company has adopted a policy of not revaluing fixed assets. Tangible fixed assets are subject to impairment tests when necessary. Diminution in value of individual properties below cost is charged to the profit and loss account.

Depreciation and amortisation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

|                                       |                              |
|---------------------------------------|------------------------------|
| Freehold and long leasehold buildings | 2% per annum                 |
| Short leasehold properties            | over the period of the lease |

#### **Deferred taxation**

Deferred taxation is provided for in full (without discounting) based on current tax rates and law, on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax in the future except as otherwise required by FRS19. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset.

#### **Land and buildings - operating leases**

Operating lease charges in respect of all premises are expensed as incurred. In cases where a property held under an operating lease is vacant or is sublet at a discount, full provision is made for any expected future losses.

#### **FRS 8: Related party transactions**

The directors regard Inchcape plc, a company registered in England and Wales, as the ultimate controlling party. Therefore the Company has applied the exemption in paragraph 3 of FRS 8 "Related Party Disclosure". This exemption permits the non-disclosure of transactions and balances with related parties that are included in the consolidated financial statements of Inchcape plc. The directors consider that there are no other relationships, transactions or balances which are required to be disclosed by FRS 8.



# INCHCAPE ESTATES LIMITED

## Notes to the accounts for the year ended 31 December 2004

### 2. Cost of sales

|                                     | 2004<br>£'000 | 2003<br>£'000 |
|-------------------------------------|---------------|---------------|
| Depreciation                        | 559           | 453           |
| Rents payable                       | 3,797         | 147           |
| Service charges, security and rates | 225           | 15            |
| Total cost of sales                 | <u>4,581</u>  | <u>615</u>    |

### 3. Administration income/(expenses)

|                                      | 2004<br>£'000 | 2003<br>£'000 |
|--------------------------------------|---------------|---------------|
| Administration income/(expenses)     | 650           | (203)         |
| Change in vacant property provisions | 347           | (214)         |
|                                      | <u>997</u>    | <u>(417)</u>  |

### 4. Operating profit

The operating profit is stated after charging:

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| Depreciation of tangible fixed assets              | 559           | 453           |
| Profit/(loss) on disposal of fixed assets (note 7) | -             | (131)         |
| Auditors' remuneration                             | -             | 11            |
| Operating lease rentals - land and buildings       | <u>3,797</u>  | <u>147</u>    |

Auditors' remuneration in 2004 on behalf of the company has been borne by a fellow group undertaking.

### 5. Employees

The Company had no employees during the year (2003: Nil) other than the 3 directors (2003: 3)

### 6. Directors' emoluments

None of the directors received emoluments during the year in respect of their services to the Company (2003: Nil).

### 7. Net loss on sale of properties

|                                | 2004<br>£'000 | 2003<br>£'000 |
|--------------------------------|---------------|---------------|
| Profit on sale of fixed assets | -             | 56            |
| (Loss) on sale of fixed assets | -             | (187)         |
|                                | <u>-</u>      | <u>(131)</u>  |

# INCHCAPE ESTATES LIMITED

## Notes to the accounts for the year ended 31 December 2004

### 8. Net interest (payable)/receivable

|   | 2004<br>£'000 | 2003<br>£'000 |
|---|---------------|---------------|
| Unwinding of discount factor in vacant properties provision | (185)         | (177)         |
| Interest payable  | (229)         | (142)         |
| Interest receivable   | 7             | 604           |
|   | <u>(407)</u>  | <u>285</u>    |

### 9. Dividends

No dividends were proposed or paid in 2004 or 2003.

### 10. Taxation

#### a) Taxation charge for the year

The taxation charge based on the results for the year is made up as follows:

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| UK Corporation Tax at 30% (2003: 30%)                        | 520           | 430           |
| Deferred tax: origination and reversal of timing differences | 79            | 14            |
| Tax charge for the year                                      | <u>599</u>    | <u>444</u>    |

#### b) Factors affecting tax charge for the year:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| Profit on ordinary activities before tax     | <u>1,796</u>  | <u>626</u>    |
| Tax at 30% (2003: 30%)                       | 539           | 188           |
| <i>Factors affecting charge for the year</i> |               |               |
| Expenses not deductible for tax purposes     | 196           | 257           |
| Capital allowances in excess of depreciation | (93)          | (1)           |
| Short term timing differences                | -             | (14)          |
| Other items                                  | 1             | -             |
| Non taxable income                           | <u>(123)</u>  | <u>-</u>      |
| Current tax charge for the year (as above)   | <u>520</u>    | <u>430</u>    |

# INCHCAPE ESTATES LIMITED

Notes to the accounts for the year ended 31 December 2004

## 11. Tangible fixed assets

|                                | Freehold<br>land and<br>property<br>£'000 | Long<br>leasehold<br>property<br>£'000 | Short leasehold<br>property &<br>leasehold<br>improvements<br>£'000 | Total<br>£'000 |
|--------------------------------|---|--|---|----------------|
| <i>Cost</i>                    |   |  |   |                |
| At 1 January 2004              | 21,781                                    | 4,393                                  | 1,240   | 27,414         |
| Reclassification               | 263                                       | (96)                                   | (167)   | -              |
| Additions                      | 14,576                                    | 655                                    | 1,760   | 16,991         |
| Transfers from Group Companies | 58,802                                    | 12,505                                 | 1,237   | 72,544         |
| Disposals                      | -   | -                                      | -   | -              |
| <b>At 31 December 2004</b>     | <b>95,422</b>                             | <b>17,457</b>                          | <b>4,070</b>  | <b>116,949</b> |
| <i>Depreciation</i>            |   |  |   |                |
| At 1 January 2004              | 269                                       | 167                                    | 348   | 784            |
| Reclassification               | 339                                       | (81)                                   | (258)   | -              |
| Transfers from Group Companies | 6,793                                     | 871                                    | 911   | 8,575          |
| Charged in the year            | 664                                       | 52                                     | 751   | 1,467          |
| Disposals                      | -   | -                                      | -   | -              |
| <b>At 31 December 2004</b>     | <b>8,065</b>                              | <b>1,009</b>                           | <b>1,752</b>  | <b>10,826</b>  |
| <i>Net book value</i>          |   |  |   |                |
| <b>At 31 December 2004</b>     | <b>87,357</b>                             | <b>16,448</b>                          | <b>2,318</b>  | <b>106,123</b> |
| At 31 December 2003            | 21,512                                    | 4,226                                  | 892   | 26,630         |

## 12. Debtors

|                                    | 2004<br>£'000 | 2003<br>£'000 |
|------------------------------------|---------------|---------------|
| Trade debtors                      | 1,769         | 252           |
| Amounts owed by group undertakings | 595           | 10,131        |
| Other debtors                      | 1,398         | 2,569         |
| Prepayments and accrued income     | 461           | 54            |
|                                    | <b>4,223</b>  | <b>13,006</b> |

## 13. Creditors : amounts falling due within one year

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| Bank loans and overdrafts                | 7,566         | -             |
| Trade creditors                          | 119           | 326           |
| Amounts owed to group undertakings       | 60,625        | -             |
| Corporation tax                          | 520           | 430           |
| Other taxation and social security costs | 12            | -             |
| Other creditors                          | 157           | -             |
| Accruals and deferred income             | 568           | 197           |
|  | <b>69,567</b> | <b>953</b>    |

# INCHCAPE ESTATES LIMITED

## Notes to the accounts for the year ended 31 December 2004

### 14. Deferred taxation

|   | 2004<br>£'000 | 2003<br>£'000 |
|---|---------------|---------------|
| Short term timing differences             | 483           | 404           |
| Deferred taxation liability - see note 15 | 483           | 404           |

### 15. Provisions for liabilities and charges

|  | Deferred<br>taxation (note<br>15)<br>£'000 | Vacant leasehold<br>provision<br>£'000 | Total<br>£'000 |
|--|--|--|----------------|
| At 1 January 2004  | 404  | 4,777                                  | 5,181          |
| Transfer from Inchcape Retail                                  | -  | 553                                    | 553            |
| Charged to Profit and Loss                                     | 79   | 440                                    | 519            |
| Released to Profit & Loss                                      | -  | (787)                                  | (787)          |
| Unwinding of discount factor in<br>vacant properties provision | -  | 185                                    | 185            |
| Utilised during the year                                       | -  | (260)                                  | (260)          |
|  | 483  | 4,908                                  | 5,391          |

**Vacant leasehold** - The Company is committed to certain leasehold premises that it no longer has a commercial use for. Provision has been made for the residual lease commitments, together with other outgoings, after taking into account existing sub tenant arrangements. In determining the provision, the cash flows have been discounted on a pre-tax basis using appropriate government bond rates. The properties are leased for periods of 1 to 15 years.

### 16. Called up share capital

|  | 2004<br>£'000 | 2003<br>£'000 |
|--|---------------|---------------|
| Authorised<br>10,000,000 ordinary shares of £1 each                        | 10,000        | 10,000        |
| Allotted, called up and fully paid<br>9,000,000 Ordinary shares of £1 each | 9,000         | 9,000         |

### 17. Share premium account and reserves

|                              | Share<br>Premium<br>£'000 | Revaluation<br>Reserve<br>£'000 | Profit & Loss<br>£'000 |
|------------------------------|---------------------------|---------------------------------|------------------------|
| At 1st January 2004          | 3,487                     | 144                             | 21,560                 |
| Retained profit for the year | -                         | -                               | 1,197                  |
| At 31st December 2004        | 3,487                     | 144                             | 22,757                 |

# INCHCAPE ESTATES LIMITED

## Notes to the accounts for the year ended 31 December 2004

### 18. Reconciliation of movements in shareholders' funds

|                              | 2004<br>£'000 | 2003<br>£'000 |
|------------------------------|---------------|---------------|
| Retained profit for the year | 1,197         | 182           |
| Opening shareholders' funds  | 34,191        | 34,009        |
| Closing shareholders' funds  | <u>35,388</u> | <u>34,191</u> |

### 19. Contingent liabilities

The Company is party to composite cross guarantees between banks, its ultimate parent undertaking and fellow subsidiaries. The Company's contingent liability under these guarantees at the year end was £Nil (2003: £777,000)

### 20. Cash flow statement

The Company's ultimate parent undertaking is Inchcape plc, a company registered in England and Wales. Accordingly, the Company has taken advantage of the exemption in paragraph 5(a) of Financial Reporting Standard 1 (Revised), Cash Flow Statements and not published its own cash flow statement.

### 21. Commitments under operating leases

Annual commitments under operating leases, analysed over the period when the lease expires are as follows:

|                            | 2004<br>£'000 | 2003<br>£'000 |
|----------------------------|---------------|---------------|
| <b>Land and buildings</b>  |               |               |
| Within one year            | 377           | 283           |
| Between two and five years | 2,181         | 983           |
| After more than five years | 4,102         | 1,990         |
|                            | <u>6,660</u>  | <u>3,256</u>  |

Included in the above figures are gross rents on premises which are vacant, for which the value of rentals through to termination of the leases (net of actual and anticipated sublet income) amounts to approximately £4.9 million (2003: £4.8 million)

### 22. Post balance sheet events

On 16 March 2005 the company acquired 100% of the share capital of Inchcape Croydon Property Limited, on that company's incorporation, for consideration of £1.

On 22 July 2005, the company sold its shareholding in Inchcape Croydon Property Limited to Equity Estates Croydon (General Partner) Limited for £1, resulting in a profit on disposal of nil.

## **INCHCAPE ESTATES LIMITED**

### **Notes to the accounts for the year ended 31 December 2004**

#### **23. Parent Undertaking and Controlling Party**

The company's immediate parent is Kenning Motor Group Limited a company registered in England and Wales.

The Directors regard the ultimate parent undertaking to be Inchcape plc, a company registered in England and Wales.

Both the smallest and the largest group of which the Company is a member and for which Group Accounts are drawn up is that of Inchcape plc. Copies of the Report and Accounts for that company are available from:

The Company Secretary  
Inchcape plc  
22A St James's Square  
London, SW1Y 5LP