

Inchcape Motors International Limited
(Registered number: 453390)

Directors' Report and Financial Statements

For the year ended 31 December 2012

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Inchcape House
Langford Lane
Kidlington
Oxford
OX5 1HT

Inchcape Motors International Limited

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2012

Results and dividends

The results for the Company show a profit for the financial year of £1,000 (2011 a profit of £87,598,000)

The Directors have paid no interim dividends during the year (2011 £88,122,000)

The Directors do not recommend the payment of a final dividend (2011 £nil)

Business review and principal activities

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

Future developments

The Directors do not foresee any significant changes in the Company or its activities during 2013

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Directors of Inchcape plc manage the Group's risks at a group level rather than at an individual business unit or company level. Further discussion on these risks and uncertainties, in the context of the Inchcape Group as a whole, is provided in the Group's Annual Report and Accounts which does not form part of this report.

Financial risk management

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.

Directors

The directors who held office during the year and up to the date of the signing of the financial statements were as follows:

Claire Chapman (resigned 31 July 2012)

Chris Parker (resigned 22 January 2013)

Martin Wheatley

The following directors were appointed after the year end:

Anton Jeary (appointed 5 February 2013)

Tamsin Waterhouse (appointed 5 February 2013)

Transactions with Directors

No transaction, arrangement or agreement required to be disclosed under the terms of the Companies Act 2006 was outstanding at 31 December 2012, or occurred during the year for any Director or connected person (2011 none).

Directors' indemnity

A Qualifying Third Party Indemnity (QTPI), as permitted by the Company's Articles of Association and section 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay the Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director. A QTPI was in force throughout the financial year and also at the date of approval of these financial statements.

Inchcape Motors International Limited

Directors' Report (continued)

Going concern

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 financial statements.

Disclosure of information to the 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 make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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.

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.

By Order of the Board



For and on behalf of
Inchcape UK Corporate Management Limited
Company secretary

Date 18 June 2013

Inchcape Motors International Limited

Independent auditors' report to the members of Inchcape Motors International Limited

We have audited the financial statements of Inchcape Motors International Limited for the year ended 31 December 2012 which comprise the profit and loss account, the 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 Statement of directors' responsibilities set out on page 2, 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 and express an opinion on 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.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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.

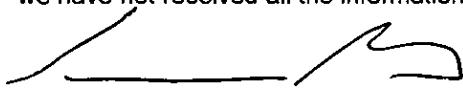
Inchcape Motors International Limited

Independent auditors' report to the members of Inchcape Motors International 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



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

Date 18 June 2013

Inchcape Motors International Limited

Profit and loss account

For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Administrative expenses		-	(91,967)
Other operating income		-	4
Operating loss	2	-	(91,963)
Income from shares in group undertakings		-	180,090
Interest payable and similar charges	4	-	(792)
Profit on ordinary activities before taxation		-	87,335
Tax on profit on ordinary activities	5	1	263
Profit for the financial year		<u>1</u>	<u>87,598</u>

All results derive from continuing operations

There are no recognised gains or losses for the current and preceding financial years other than the profit of £1,000 (2011 £87,598,000) shown above. There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents, and therefore no separate statement of total recognised gains and losses has been presented.

Inchcape Motors International Limited

Balance sheet

As at 31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Fixed asset investments	7	<u>2,060</u>	<u>2,060</u>
		<u>2,060</u>	<u>2,060</u>
Current assets			
Debtors amounts falling due within one year	8	<u>51,150</u>	<u>51,149</u>
Net current assets		<u>51,150</u>	<u>51,149</u>
Total assets less current liabilities		<u>53,210</u>	<u>53,209</u>
Net assets		<u>53,210</u>	<u>53,209</u>
Capital and reserves			
Called up share capital	9	<u>48,038</u>	<u>48,038</u>
Share premium account	10	<u>1,070</u>	<u>1,070</u>
Capital redemption reserve	11	<u>2,528</u>	<u>2,528</u>
Profit and loss account	12	<u>1,574</u>	<u>1,573</u>
Total Shareholders' Funds	13	<u>53,210</u>	<u>53,209</u>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 18 June 2013

Signed on behalf of the Board of Directors


Martin Wheatley
Director
Inchcape Motors International Limited

Registered no. 453390

Inchcape Motors International Limited

Notes to the financial statements

For the year ended 31 December 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The particular accounting policies adopted are as described below. The principal accounting policies of the Company have been applied consistently and reviewed in accordance with Financial Reporting Standard 18 'Accounting Policies'.

Group financial statements

The Company is a wholly-owned subsidiary of Inchcape plc and is included in the consolidated financial statements of Inchcape plc which are publicly available. In accordance with the exemption permitted by Section 400 of the Companies Act 2006 no Group financial statements have been prepared.

Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Inchcape plc, a company registered in England and Wales, and is included in the consolidated financial statements of Inchcape plc which are publicly available. Consequently, the Company has taken advantage of the exemption in paragraph 5(a) of FRS 1 (Revised 1996), 'Cash Flow Statements', and not published its own cash flow statement. The Company is also exempt under the terms of paragraph 3 of FRS 8, 'Related Party Disclosures', from disclosing related party transactions with entities that are part of the Inchcape plc group.

The Directors consider that there are no other relationships, transactions or balances which are required to be disclosed by FRS8.

Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value. Net realisable value is that price at which the investments can be sold in the normal course of business after allowing for the costs of realisation.

Fixed asset investments are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount and is charged to the profit and loss account. The recoverable amount being the higher of net realisable value and value in use.

Shares in other Group companies are stated at cost, less provision for impairment in value.

Interest

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

Financial assets and liabilities

The Company classifies its financial instruments in the following categories: loans and receivables, and amortised cost. The classification is determined at initial recognition and depends on the purpose for which the financial instruments are required.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where the maturity date is more than twelve months after the end of the reporting period. They are initially recorded at fair value and subsequently recorded at net realisable value.

Amortised cost includes non-derivative financial assets and liabilities which are held at original cost, less amortisation.

Inchcape Motors International Limited

Notes to the financial statements

For the year ended 31 December 2012

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Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided 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 future except as otherwise required by FRS 19, Deferred Tax. 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

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Dividends

Interim dividends are recognised in the period in which they are paid. Final dividends are recognised in the period they are approved by the Company's shareholder

2 Operating loss

Operating loss is stated after charging

	2012 £'000	2011 £'000
Impairment of investments	-	91,967

Auditors' remuneration has been borne by a fellow subsidiary undertaking. Of this remuneration £5,000 (2011 £5,000) is deemed to be attributable to the Company

During the prior year, the Group undertook a reorganisation of its UK businesses and as a consequence the net assets of its UK subsidiaries were reduced to a carrying value of £1. Accordingly, an impairment charge of £91,967,000 was recognised

3 Directors and employees

The Company has no employees except the Directors and hence no salary, social security or pensions costs (2011 £nil)

No emoluments (2011 £nil) were paid to the Directors of the Company whose services are provided to a number of Group companies. The proportion of their emoluments attributable to the Company can not be reasonably estimated and these costs are borne entirely within the Inchcape Group

Inchcape Motors International Limited

Notes to the financial statements

For the year ended 31 December 2012

..... continued

4 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to group undertakings	-	792
	<u>-</u>	<u>792</u>

5 Tax on profit on ordinary activities

a) Taxation credit for the year

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

	2012 £'000	2011 £'000
Current tax.		
UK corporation tax on profits for the year	-	(209)
UK corporation tax prior year adjustments	(1)	(54)
Current tax credit for the year	<u>(1)</u>	<u>(263)</u>

b) Factors affecting tax credit for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	-	87,335
Corporation tax at standard rate	-	<u>23,144</u>
Corporation tax prior year adjustments	(1)	(54)
Non-taxable income	-	(47,724)
Expenses not deductible for tax purposes	-	<u>24,371</u>
Current tax credit for the year (as above)	<u>(1)</u>	<u>(263)</u>

6 Dividends

No dividends were paid in 2012 (2011 interim dividend of 36.7p per ordinary share paid totalling £88,122,000)

Inchcape Motors International Limited

Notes to the financial statements

For the year ended 31 December 2012

..... continued

7 Fixed asset investments

	Shares in subsidiary undertakings £'000	Joints ventures and associates £'000	Total £'000
Cost			
At 1 January 2012	91,967	2,060	94,027
At 31 December 2012	91,967	2,060	94,027
Provisions			
At 1 January 2012	(91,967)	-	(91,967)
At 31 December 2012	(91,967)	-	(91,967)
Net book value			
At 31 December 2012	-	2,060	2,060
At 31 December 2011	-	2,060	2,060

The Directors believe that the carrying value of the investments is supported by their underlying net assets

Principal subsidiaries and other investments

The Company has investments in the following undertakings

Company	Country of incorporation or registration	Proportion of nominal value of share held	Principal activity
Subsidiary undertakings			
Inchcape Motors Pension Trust Limited	England & Wales	100%	Dormant
Tozer Kemsley and Millbourn Automotive Limited	England & Wales	100%	Investment holding
Penta Watford Limited	England & Wales	87.5%	Dormant
Joint ventures			
Enterprise Car Finance Limited	England & Wales	49.9%	Financial Services
Inchcape Financial Services Limited	England & Wales	49%	Financial Services

Inchcape Motors International Limited

Notes to the financial statements

For the year ended 31 December 2012

..... continued

8 Debtors' amounts falling due within one year

	2012 £'000	2011 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	51,150	51,149
	<u>51,150</u>	<u>51,149</u>

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

9 Called up share capital

Allotted, called up and fully paid

	2012 £'000	2011 £'000
240,191,465 ordinary shares of £0.20 each (2011 240,191,465)	48,038	48,038

10 Share premium account

	Share premium account £'000
At 1 January 2012	1,070
At 31 December 2012	<u>1,070</u>

11 Other reserves

	Capital redemption reserve £'000
At 1 January 2012	2,528
At 31 December 2012	<u>2,528</u>

Inchcape Motors International Limited

Notes to the financial statements

For the year ended 31 December 2012

..... continued

12 Profit and loss account

	Profit and loss account £'000
At 1 January 2012	1,573
Profit for the financial year	<u>1</u>
At 31 December 2012	<u>1,574</u>

13 Reconciliation of movement in shareholders' funds

	2012 £'000	2011 £'000
Profit for the financial year	1	87,598
Dividends	<u>-</u>	<u>(88,122)</u>
Net addition to / (reduction from) shareholders' funds	1	(524)
Shareholders' funds at 1 January	<u>53,209</u>	<u>53,733</u>
Shareholders' funds at 31 December	<u>53,210</u>	<u>53,209</u>

14 Parent undertaking and controlling party

The Company's immediate parent is Inchcape Investments and Asset Management, a company registered in Scotland

The Directors regard the ultimate parent undertaking and controlling party 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 Financial statements are drawn up is that of Inchcape plc. Copies of the Annual Report and Accounts for that company are available from

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