

# **Maranello Concessionaires Limited**

**(Company No 655104)**

## **Annual Report and Accounts**

**for the year ended 31 December 2005**



# Maranello Concessionaires Limited

## Directors' Report

The Directors submit their report and the financial statements for the year ended 31 December 2005.

### Principal activities and business review

The principal activities of the Company in the period were that of sole Ferrari and Maserati concessionaires in the UK and Eire for the distribution of spare parts.

As previously disclosed, the Company's distribution agreement for the UK, Republic of Ireland, Channel Islands and Isle of Man was terminated, effective 30 September 2004. The costs of exiting this business resulted in an exceptional charge in the profit and loss account in the year of £450,000 (2004: £2,298,000). Spare parts distribution was extended until 31 December 2005. In the light of this termination, the scale of this business was significantly lower during 2005. The Company is in the process of agreeing a new contract for the distribution of Ferrari Classic Parts and in the opinion of the Directors, the Company will continue to be able to meet its obligations as they fall due.

### Results and dividends

The results are disclosed in the profit and loss account on page 6. During the year the company paid no dividends (2004: £nil).

### Directors and their interests

The Directors who held office during the year and up to the date of the directors' report were as follows:

G J Potts	(resigned 17 September 2006)
P A Roberts	(resigned 11 March 2005)
M P Wheatley	
C McCormack	(appointed 25 October 2005)
S Lock	(appointed 18 September 2006)

No Director had any interest in the shares of the Company (or any of its subsidiary undertakings) at either 1 January 2005 or 31 December 2005.

Mr G J Potts was 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 other persons who were Directors at 31 December 2005.

	Ordinary shares of 150.0p each	
	31 December 2005	1 January 2005 (or date of appointment, if later)
M P Wheatley	668	1,528

### 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 on Page 2.

# Maranello Concessionaires Limited

## Directors' Report (Continued)

	Held At 31.12.05	Granted during the year	Exercised/ lapsed during the year	Held at 1.1.05 (or, date of appointment, if later)	Exercise Price (c)	Exercisable Between
M P Wheatley	-	-	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
	2,188(a)	2,188(a)	-	-	2056.0p	Mar 2008 - Mar 2015
	460(b)	460(b)	-	-	1645.0p	Jun 2008 - Nov 2008
C McCormack	6,517 (a)	-	-	6,517 (a)	2148.0p	Sep 2008 - Sep 2015

- (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 2005 (or date of appointment if later) and 31 December 2005. The mid-market price of the shares at the close of business on 31 December 2005 was 2281.0p. The price range during 2005 was 1759.0p to 2442.0p.
- (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 ("RPI") 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.
- (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
- (vii) On 15 May 2006 Inchcape Plc effected a six for one share split reducing the nominal value of its ordinary share capital from 150.0p per share to 25.0p per share.

# **Maranello Concessionaires Limited**

## **Directors' Report (Continued)**

### **Transaction with directors**

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 1985 was outstanding at 31 December 2005, or occurred during the year for any director or connected person (2004: None).

### **Employee involvement**

Arrangements exist to keep all employees informed on matters of concern to them and, following publication of the results of Inchcape plc, information is disseminated widely. This includes performance statistics for both the Inchcape Group and individual business streams. Employee bulletins, the Group Intranet "the Pulse" and UK in-house magazine "Ignition" facilitate communication with employees throughout the world. Employees are regularly consulted upon matters concerning their employment.

Information is given on the performance of the pension fund. Company employees are eligible to participate in the Inchcape plc savings share option scheme, subject to the rules of that scheme. Employees are also offered Inchcape Colleague Advantages to promote their well-being.

### **Employment and training policy**

The Company is an equal opportunities employer and is committed where it is practicable and safe to do so to the employment of disabled staff. The Company is committed to the training and development of its staff. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate training is arranged.

### **Creditor Payment Policy**

The company is responsible for agreeing the terms and conditions including terms of payment under which business transactions with the company's suppliers are conducted. While the company does not follow any single external code or standard, in line with Inchcape Group policy, payments to suppliers are made in accordance with the agreed terms, provided that the supplier is also complying with all relevant terms and conditions.

The number of days' purchases outstanding as at 31 December 2005, calculated by reference to the amount owed to trade creditors at the year end as a proportion of the amounts invoiced by suppliers during the year, was 25 days (2004 –3 days).

### **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.

### **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 Inchcape UK Corporate Management Limited  
Secretary  
31 October 2006

# **Maranello Concessionaires Limited**

## **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.

# Maranello Concessionaires Limited

## Independent auditors' report to the members of Maranello Concessionaires Limited

We have audited the financial statements of Maranello Concessionaires Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

London

31 October 2006

# Maranello Concessionaires Limited

## Profit and Loss Account for the Year Ended 31 December 2005

	Notes	2005 £000	2004 £000
Turnover – continuing activities	2	10,285	11,170
– discontinued activities	2	-	67,226
		10,285	78,396
Cost of sales – continuing activities		(8,691)	(8,164)
– discontinued activities		-	(60,875)
		(8,691)	(69,039)
Gross profit – continuing activities		1,594	3,006
– discontinued activities		-	6,351
		1,594	9,357
Net operating expenses – continuing activities	3	(912)	(700)
– discontinued activities	3	-	(3,305)
Operating profit – continuing activities	3	682	2,306
– discontinued activities	3	-	3,046
		682	5,352
Loss on discontinued operations		(450)	(2,298)
Interest receivable	4	369	262
Profit on ordinary activities before taxation		601	3,316
Taxation	7	(286)	(1,766)
Profit on ordinary activities after taxation		315	1,550
Dividend		-	-
Retained profit/(loss) for the financial year		315	1,550
Balance brought forward at 1 January		8,621	7,071
Balance carried forward at 31 December		8,936	8,621

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

The company has no recognised gains and losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 17 form part of these financial statements.

# Maranello Concessionaires Limited

## Balance Sheet as at 31 December 2005

	Notes	2005 £000	2004 £000
<b>Fixed assets</b>			
Tangible assets	8	215	358
Investments	9	-	-
		215	358
<b>Current assets</b>			
Stocks	10	3,036	3,904
Debtors	11	949	1,682
Cash at bank and in hand		8,027	8,025
		12,012	13,611
<b>Creditors – amounts falling due within one year</b>	12	(2,015)	(3,542)
<b>Net current assets</b>		9,997	10,069
<b>Total assets less current liabilities</b>		10,212	10,427
Provisions for liabilities and charges	14	(976)	(1,506)
<b>Net assets</b>		9,236	8,921
<b>Financed by:-</b>			
<b>Capital and reserves</b>			
Called up share capital	15	300	300
Profit and loss account		8,936	8,621
<b>Equity shareholders' funds</b>	16	9,236	8,921

The financial statements on pages 6 to 17 were approved by the Board on 31 October 2006 and were signed on its behalf by:



**C McCormack**  
Director



# **Maranello Concessionaires Limited**

## **Notes to the Financial Statements**

### **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'.

The company has adopted FRS 21 'Events after the balance sheet date', the parts of FRS 25 'Financial instruments: disclosure and presentation' applicable for companies with year ends of 31 December 2005, and FRS 28 'Corresponding amounts' during the year.

FRS 21, FRS 25, and FRS 28 have not resulted in the restatement of retained earnings and have had no impact on the results or net assets for the current or prior year.

The transitional arrangements of FRS 17 have been adopted. For details see note 20 below.

#### **(1) Accounting convention**

The Company prepares its financial statements under the historical cost basis in accordance with the Companies Act 1985.

#### **(2) Turnover**

Turnover represents the amount receivable in the ordinary course of business for goods sold and services provided after deducting trade discounts and value added tax.

#### **(3) Tangible fixed assets**

The cost of fixed assets is their purchase cost together with any incidental costs of acquisition. Depreciation of tangible fixed assets is calculated on a straight line basis. The principal rates of depreciation per annum are:

Plant and equipment	10% - 33%
Motor vehicles	20% - 33%

#### **(4) Fixed asset investments**

Fixed asset investments are stated at historical cost less any provision for impairment.

#### **(5) Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value, due allowance being made for obsolete and slow moving stocks. Cost in the case of work in progress includes raw materials, labour and overhead recovery.

# **Maranello Concessionaires Limited**

## **Notes to the Financial Statements**

### **1 Accounting policies (Continued)**

#### **(6) Pension and other post retirement benefits**

The company participates in various Group pension schemes, which are defined benefit in nature with assets held in separately administered funds. The cost of providing such benefits is determined separately for each plan using the projected unit credit actuarial valuation method, in accordance with the advice of an independent qualified actuary.

The funds are valued every three years on an IAS 19 basis by a professionally qualified independent actuary. No separate valuation is performed on an FRS 17 basis.

#### **(7) Changes in accounting policies**

FRS 17 Retirement Benefits has been adopted in full with effect from 1 January 2005 (the extended transitional arrangements no longer apply) however since it is not possible for the company to separately identify its share of the underlying assets and liabilities of the various pension schemes, prior period comparatives have not needed to be restated.

#### **(8) Leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

#### **(9) 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 FRS 19. 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.

#### **(10) Overseas currencies**

Assets and liabilities in overseas currencies are translated into sterling at the rates ruling at 31 December. Exchange differences arising are taken to the profit and loss account.

# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 2 Business and geographical analyses

	Turnover	Profit on ordinary activities before taxation		Turnover	Profit on ordinary activities before taxation
	2005	2005	2004	2004	2004
	£000	£000	£000	£000	£000
			Continuing	Discontinued	Total
Business analysis:					
Automotive vehicle sales and related services	10,285	601			78,396
					3,316
Geographical analysis:					
United Kingdom	8,722		9,282	59,944	69,226
Europe	978		960	32	992
Rest of the world	585		928	7,250	8,178

### 3 Operating profit

	2005 £000	2004 £000
Analysis of net operating expenses		
Administrative expenses	(912)	(4,005)
Net operating expenses	(912)	(4,005)
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets	142	415
Loss/(profit) on disposals of fixed assets	9	(46)
Auditors' remuneration for Audit	16	23
Auditors' remuneration for non-Audit	1	6
Operating leases – land & buildings	220	438
Operating leases – plant & machinery	13	184

# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 4 Interest receivable

	2005 £000	2004 £000
Bank interest	347	262
Other interest	22	-
	369	262

### 5 Employees

	2005 £000	2004 £000
Staff costs during the year amounted to:		
Wages and salaries	947	2,589
Social security costs	90	280
Other pension costs	149	285
	1,278	3,154

The average number of persons employed by the company during the year was:

	Number	Number
By activity:		
Selling and Distribution	25	48
Administration	4	36
	29	84

All company employees are eligible to join pension schemes, which are administered by Inchcape plc, the ultimate parent company. Details of these schemes, and their recent valuations can be found in note 20.

### 6 Directors' emoluments

The remuneration paid to Directors included in the above was:

	2005 £000	2004 £000
Aggregate emoluments	103	557

All other directors' remuneration was borne by other Group companies. The number of directors who were members of a pension scheme (see Note 20) was 1 (2004: 2)

# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 6 Directors' emoluments (continued)

#### Highest paid Director

For the year ended 31 December 2005 the company was entitled to the exemption under section 6 Sch.2(1) of the Companies Act 1985. For 2004 the aggregate emoluments and benefits were £249,000 and the accrued annual pension entitlement under defined benefit schemes was £186,000. Compensation payments for loss of office were 2005: £68,000 (2004: £170,000)

### 7 Taxation

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

	2005 £000	2004 £000
UK Corporation Tax at 30% (2004: 30%)		
Current	(252)	(1,768)
Deferred tax: origination and reversal of timing differences	(65)	2
	(317)	(1,766)
Exceptional tax	31	-
Total tax	(286)	(1,766)

b) Factors affecting tax charge for the period:

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

	2005 £000	2004 £000
Profit on ordinary activities before tax	601	3,316
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	180	995
Expenses not deductible for tax purposes	133	686
Capital allowances in excess of depreciation	(48)	69
Short term timing differences	(14)	19
Other	1	(1)
Untaxed income	-	-
Current tax charge for the period	252	1,768

c) Factors that may affect future tax charges:

Based on current capital investment plans the Company expects to continue to be able to claim capital allowances in excess of depreciation in future years but at a slightly lower level than in the current year.

d) Exceptional tax:

Exceptional tax relates to the release of the tax provided against the VAT recoveries in 2003 and 2004 following the favourable settlement of the corporation tax treatment.

# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 8 Fixed assets

Tangible fixed assets	Plant and Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>			
1 January 2005	1,080	228	1,308
Additions	7	67	74
Disposals	(4)	(132)	(136)
31 December 2005	1,083	163	1,246
<b>Depreciation:</b>			
1 January 2005	(814)	(136)	(950)
Charge for the year	(90)	(52)	(142)
Disposals	4	57	61
31 December 2005	(900)	(131)	(1,031)
<b>Net book value:</b>			
31 December 2005	183	32	215
31 December 2004	266	92	358

### 9 Fixed asset investments

	Investment in Subsidiaries £
Cost of investment at beginning and end of year	100
Net book value at beginning and end of year	100

In the opinion of the Directors, the value of the Company's interest in its subsidiaries is not less than the amount at which they are included in the balance sheet.

The Company's wholly owned subsidiary undertakings at 31 December 2005 are shown below. The capital of each company is wholly owned and is in ordinary shares and the country of incorporation or registration is the country of operation.

	Country of Principal operation	Nature of business
Maranello Sales Limited	England	Ferrari/Maserati dealer

# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 10 Stocks

	2005	2004
	£000	£000
Vehicles	-	40
Parts	3,036	3,864
	3,036	3,904

### 11 Debtors – amounts falling due within one year

	2005	2004
	£000	£000
Trade debtors	458	1,101
Amounts owed by fellow subsidiaries	-	-
Deferred tax (note 13)	295	360
Prepayments and accrued income	117	221
Corporation tax	79	-
	949	1,682

### 12 Creditors – amounts falling due within one year

	2005	2004
	£'000	£'000
Trade creditors	601	574
Vehicle deposits	195	318
Amounts due to fellow subsidiaries	552	250
Other creditors including taxation and social security	24	296
Accruals and deferred income	318	336
Corporation tax payable	325	1,768
	2,015	3,542

# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 13 Deferred taxation

The amount of deferred taxation:	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Capital allowances	247	312
Short-term timing differences	48	48
	<b>295</b>	<b>360</b>

### 14 Provisions for liabilities and charges

	<b>Pension Creditor</b>	<b>Business Closure Provision</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2005	160	1,346	1,506
Charged/(Released) to profit and loss account	149	450	599
Utilised/Paid	(309)	(820)	(1,129)
<b>At 31 December 2005</b>	<b>-</b>	<b>976</b>	<b>976</b>

### 15 Called up share capital

	<b>2005</b>	<b>Authorised 2004</b>	<b>Allotted and fully paid 2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Ordinary shares of 25 pence each	350,000	350,000	300,000	300,000

### 16 Reconciliation of movements in shareholders' funds

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities after taxation	315	1,550
Dividend	-	-
Net increase/(decrease) in shareholders' funds	315	1,550
Opening shareholders' funds	8,921	7,371
Closing shareholders' funds	9,236	8,921



# Maranello Concessionaires Limited

## Notes to the Financial Statements

### 17 Operating lease commitments

Annual payment commitments under operating leases, analysed over the period when the leases expire are as follows:

	Land & Buildings		Other	
	2005 £000	2004 £000	2005 £000	2004 £000
Within one year	-	-	-	65
Between two and five years	423	423	-	3
After more than five years	-	-	-	-
	423	423	-	68

### 18 Contingent liability

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 the year end was £8,009,553 (2004: £nil).

### 19 Cash flow statement

A cash flow statement is not required as Inchcape plc, the Company's ultimate parent undertaking 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 2005.

### 20 Retirement benefits

The Company participates in the Inchcape Group (UK) Pension Scheme (including the UK cash plan) and Inchcape Motors Pension Scheme which are group schemes with assets held in separately administered funds. Employees are admitted to a scheme dependent on their seniority and the date they joined the group. For the purposes of the Group financial statements of Inchcape plc, the valuation of the respective schemes deficits have been calculated in accordance with IAS 19, no separate valuations on an FRS 17 basis have been performed. The following weighted average assumptions have been used to determine the P&L charge in the reporting period:

	2005	2004
Rate of increase in salaries	4.7%	4.7%
Discount rate	4.8%	5.3%
Inflation	2.7%	2.7%

# **Maranello Concessionaires Limited**

## **Notes to the Financial Statements**

### Inchcape Group (UK) Pension Scheme (including UK cash plan)

At 31 December 2005, the total deficit for this group scheme amounted to £17.3m (2004 - £10.2m). As it is not possible to allocate the scheme assets and liabilities to individual participating companies, the Company is unable to identify its share of the underlying assets and liabilities in the schemes. As such, in accordance with FRS 17, for accounting purposes the scheme has been treated as a defined contribution scheme.

A pension cost of £10,000 has been charged in 2005 (2004 - £87,000) in respect of the UK pension scheme and £Nil has been charged in respect of the UK cash plan (2004 - £Nil). Outstanding contributions at 31 December 2005 amounted to £Nil (2004 - £Nil). Participating employers are only required to fund the scheme to the extent of the charge put through their profit and loss account (ie. their ongoing service cost).

Further details relating to this scheme can be found in the financial statements of Inchcape plc.

### Inchcape Motors Pension Scheme

At 31 December 2005, the total deficit for this group scheme amounted to £40.1m (2004 £38.9m). As it is not possible to allocate the scheme assets and liabilities to individual participating companies, the Company is unable to identify its share of the underlying assets and liabilities in the schemes. As such, in accordance with FRS 17, for accounting purposes the scheme has been treated as a defined contribution scheme.

A pension cost of £139,000 has been charged in 2005 (2004 - £198,000) and outstanding contributions at 31 December 2005 amounted to £Nil (2004 - £Nil). Participating employers are only required to fund the scheme to the extent of the charge put through their profit and loss account (ie. their ongoing service cost).

Further details relating to this scheme can be found in the financial statements of Inchcape plc.

## **21 Ultimate parent undertaking**

The immediate parent undertaking is Maranello Holdings Limited and the ultimate parent undertaking is Inchcape plc which is incorporated in Great Britain.

The largest group of which the Company is a member and for which consolidated financial statements are drawn up is that of Inchcape plc which is registered in England. Copies of the Report and Financial Statements are available from:

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

The Company is a wholly-owned subsidiary of Inchcape plc and as such, the Company is not required to disclose details of transactions and balances with other 90 per cent owned subsidiaries of the Inchcape plc group. The Directors consider that there are no other relationships, transactions or balances which are required to be disclosed by Financial Reporting Standard 8.