

Mar Parts Limited
(Company Number: 827692)

Annual Report and accounts

for the year ended 31 December 2004



Mar Parts Limited

Directors' Report

The Directors submit their report and the financial statements for the year ended 31 December 2004.

Principal activities and business review

The principal activity of the Company is the supply of components for classic vehicles. There were no discontinued activities during the year. Both the level of business and the year end position were satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The results are disclosed in the profit and loss account on page 6. During the year the company paid no dividends (2003: £nil).

Directors and their interests

The Directors who held office during the year are given below:

G J Potts	
P A Roberts	
M P Wheatley	(appointed 9 August 2004)
R Hazelwood	(resigned 31 October 2004)

No Director 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 other persons who were Directors at 31 December 2004.

	Ordinary shares of 150.0p each	
	31 December 2004	1 January 2004 (or date of appointment, if later)
M P Wheatley	1,528	2,778

Directors' share options

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

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Directors' Report (Continued)

Directors' share options (Continued)

	Held At 31.12.04	Granted during the year	Exercised during the year	Held at 1.1.04 (or, date of appointment, if later)	Exercise Price (c)	Exercisable Between
P A Roberts	-	-	5,208 (a)	5,208 (a)	384.0p	Mar 2004 - Mar 2011
	2,919 (a)	-	-	2,919 (a)	685.0p	Mar 2005 - Mar 2012
	1,714 (b)	-	-	1,714 (b)	554.0p	Jun 2005 - Nov 2005
	2,107 (a)	-	-	2,107 (a)	762.0p	Mar 2006 - Mar 2013
	3,021 (a)	3,021 (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 - Dec 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 the close of business on 31 December 2004 was 1955.0p. The price range during 2004 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% per annum. Awards will vest on a stepped line basis between these points and there is no opportunity to re-test.

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Directors' Report (Continued)

- 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.

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).

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 Ltd

Secretary

10 March 2005

Mar Parts 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.

Mar Parts Limited

Independent auditors' report to the members of Mar Parts Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

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 report of the directors and the statement of directors' responsibilities.

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 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 of the state of the company's affairs at 31 December 2004 and of its result 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

11 March 2005

Mar Parts Limited

Profit and Loss Account for the Year Ended 31 December 2004

	<i>Note</i>	2004 £'000	2003 £'000
Turnover – continuing activities	2	206	241
Cost of sales		(161)	(194)
Gross profit		45	47
Administrative expenses		(44)	(46)
Operating profit – continuing activities	3	1	1
Interest payable		(1)	(1)
Profit on ordinary activities before taxation		-	-
Taxation		-	-
Profit on ordinary activities after taxation		-	-
Balance brought forward at 1 January		1	1
Balance carried forward at 31 December		1	1

The Company has no recognised gains or losses other than as presented in the Profit and Loss Account and thus a Statement of Total Recognised Gains and Losses is not required.

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 notes on pages 8 to 11 form part of these financial statements.

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Balance Sheet as at 31 December 2004

	<i>Note</i>	2004 £'000	2003 £'000
Fixed assets			
Investments	5	9	9
Current assets			
Stock	6	29	28
Debtors	7	2	1
		31	29
Creditors - amounts falling due within one year	8	(34)	(32)
Net current liabilities		(3)	(3)
Total assets less current liabilities		6	6
Net assets		6	6
Capital and reserves			
Called up share capital	9	5	5
Profit and loss account		1	1
Equity shareholders' funds	10	6	6

The financial statements on pages 6 to 11 were approved by the Board on 9 March 2005 and were signed on its behalf by:



P A Roberts
Director

Mar Parts Limited

Notes to the Accounts – 31 December 2004

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The principal accounting policies of the Company are as follows:

(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) Fixed asset investments

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

(4) 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.

(5) 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.

2 Turnover

Turnover represents net invoiced sales of goods and supply of services excluding value added tax.

	2004 £'000	2003 £'000
Automotive and related services in the United Kingdom	206	241

3 Operating Profit

All audit fees have been borne by a fellow subsidiary (2003: £nil). The Company has no employees (2003: none).

Mar Parts Limited

Notes to the Accounts – 31 December 2004

4 Directors emoluments

No directors' emoluments were paid during the year (2003: £nil).

5 Fixed asset investments

	Investment in subsidiary £'000
Cost of investment at beginning and end of year	9
Net book value at beginning and end of year	9

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

The Company's wholly owned subsidiary undertaking at 31 December 2004 was Mar Parts S.r.l., a company incorporated in Italy and engaged in the sourcing and distribution of components for classic vehicles.

6 Stocks

	2004 £'000	2003 £'000
Work in progress	10	11
Finished goods	19	17
	29	28

7 Debtors – amounts falling due within one year

	2004 £'000	2003 £'000
Other debtors including taxation and social security	2	1

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Notes to the Accounts – 31 December 2004

8 Creditors – amounts falling due within one year

	2004 £'000	2003 £'000
Bank loans and overdrafts	16	21
Trade creditors	8	9
Amounts due to fellow subsidiaries	10	1
Accruals	-	1
	34	32

9 Called up share capital

	Authorised		Allotted and fully paid	
	2004	2003	2004	2003
	£	£	£	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

10 Reconciliation of movements in shareholders' funds

	2004 £'000	2003 £'000
Profit on ordinary activities after taxation	-	-
Net increase in shareholders' funds	-	-
Opening shareholders' funds	6	6
Closing shareholders' funds	6	6

11 Contingent liability

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 (£8,273) (2003: (£17,105)).

12 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 2004.

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Notes to the Accounts – 31 December 2004

13 Ultimate parent undertaking

The immediate parent undertaking is Maranello Holdings Limited.

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 percent 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.