

H R Owen Motor Properties Limited
(formerly Citygate Motor Properties Limited)
Annual report
for the year ended 31 December 2006

Registered Number 881050



H R Owen Motor Properties Limited

Annual report for the year ended 31 December 2006

Contents

Directors and Advisors for the year ended 31 December 2006	1
Directors' report for the year ended 31 December 2006	2
Statement of directors' responsibilities	4
Independent auditors' report to the members of H R Owen Motor Properties Limited	5
Profit and loss account for the year ended 31 December 2006	7
Balance sheet as at 31 December 2006	8
Notes to the financial statements for the year ended 31 December 2006	9

H R Owen Motor Properties Limited

Directors and Advisors for the year ended 31 December 2006

Directors

N R Lancaster
D H Jagger
D G Evans

Solicitors

Plummer Tilsley Logan
Balmerne House
53 Crouch Street
Colchester
Essex
CO3 3EL

Secretary and registered office

J D S Adams
75 Kinnerton Street
London
SW1X 8ED

Auditors

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge
CB3 0AN

HSBC Bank plc

West End Corporate Banking Centre
70 Pall Mall
London
SW1Y 5EZ

H R Owen Motor Properties Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Business review, principal activities and future outlook

The principal activity of the company during the year was as a property holding company for H R Owen plc

The results for the year ended 31 December 2006 are set out in the profit and loss account on page 7. During the year the company sold its remaining freehold property with proceeds of £2,500,000 and ceased to trade.

The profit for the year after taxation amounted to £1,525,000 (2005 £114,000). The company had net assets at the year end of £2,276,000 (2005 £751,000).

The directors do not recommend the payment of a final dividend (2005 £nil).

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 key business risk and uncertainty affecting the company is considered to be the impact of future legislative changes. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the Business Review of the group's annual report which does not form part of this report.

Key Performance Indicators

The directors of H R Owen Motor Properties Ltd manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of H R Owen Motor Properties Ltd. The development, performance and position of H R Owen plc, which includes the company, is discussed in the Business Review of the group's annual report which does not form part of this report.

Directors

The directors of the company who served during the whole of the year are listed below:

N R Lancaster
D H Jaggard
D G Evans

Directors' interests

No director had any interest in the shares of the company at 31 December 2006. The interests of the directors in the shares of H R Owen Plc, the ultimate parent company, are disclosed in that company's financial statements.

Risks associated with financial instruments

The company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate risk.

Liquidity risk and interest rate risk

The company finances its operations through a mixture of retained reserves and borrowings. These borrowings comprise bank loans and overdrafts. Liquidity risk is managed by borrowing with a spread of maturity periods. The company mitigates any potential liquidity risk through maintaining substantial unutilised banking facilities.

The company is subject to interest rate risk on the borrowings. All borrowings are at floating rates. Any surplus cash balances are placed on overnight or short-term deposit on UK money markets.

H R Owen Motor Properties Limited

The liquidity and interest rate risk is managed on behalf of the company by its parent company

Change of name


On 27 April 2006 the company changed its name to H R Owen Motor Properties Limited

Auditors

So far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



J D S Adams
Secretary

28 March 2007

H R Owen Motor Properties Limited

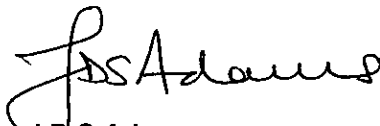
Statement of directors' responsibilities

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 year. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which 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 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.

By order of the board



J.D.S. Adams
Secretary

28 March 2007

H R Owen Motor Properties Limited

Independent auditors' report to the members of H R Owen Motor Properties Limited

We have audited the financial statements of H R Owen Motor Properties Limited for the year ended 31 December 2006 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

The directors' responsibility for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

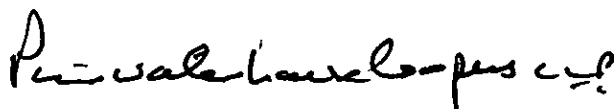
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

H R Owen Motor Properties Limited

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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge
28 March 2007

H R Owen Motor Properties Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Net operating income	2	10	81
Operating profit		10	81
Exceptional profit on disposal of freehold property	7	1,353	-
Profit on ordinary activities		1,363	-
Interest receivable and similar income	5	162	33
Profit on ordinary activities before taxation	6	1,525	114
Tax on profit on ordinary activities	7	-	-
Retained profit for the year	16, 17	1,525	114

The company's results shown above all derive from discontinued operations in the year

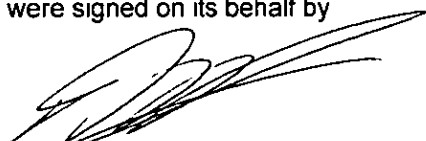
The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented

H R Owen Motor Properties Limited

Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible fixed assets	10	-	1,149
Current assets			
Debtors	11	2,276	553
Cash at bank and in hand		-	679
		2,276	1,232
Creditors: amounts falling due within one year	12	-	(28)
Net current assets		2,276	1,204
Total assets less current liabilities		2,276	2,353
Creditors: amounts falling due after more than one year	13	-	(1,602)
Net assets		2,276	751
Capital and reserves			
Called up share capital	15	4	4
Profit and loss account	16	2,272	747
Equity shareholders' funds	17	2,276	751

The financial statements on pages 7 to 14 were approved by the board of directors on 28 March 2007 and were signed on its behalf by



D H Jaggar
Director

H R Owen Motor Properties Limited

Notes to the financial statements for the year ended 31 December 2006

1 Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

In accordance with FRS 18 ("Accounting policies") the directors have formally reviewed the accounting policies and consider them to be the most appropriate for the company.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

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

	%
Freehold buildings	2

Freehold land is not depreciated.

Deferred taxation

Provision is made for all deferred tax assets and liabilities in accordance with FRS19, 'Deferred tax' using full provision accounting, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future. Deferred tax is measured at the average 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 substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company is a wholly owned subsidiary of H R Owen Plc and is included in the consolidated financial statements of H R Owen Plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'.

2 Net operating income

	2006 £'000	2005 £'000
Other operating income	14	96
Administration and other operating costs	(4)	(15)
	10	81

Other operating income relates to amounts charged to fellow subsidiaries in respect of property rentals.

H R Owen Motor Properties Limited

3 Directors' emoluments

No director received any fees or other emoluments from the company during the year (2005 £nil)

4 Employee information

Apart from the directors, the company had no employees during the year. Certain management and operational services were supplied, free of charge, to the company by H R Owen Plc, the ultimate parent company.

5 Interest receivable and similar income

	2006 £'000	2005 £'000
On bank deposits	162	33

6 Profit on ordinary activities before taxation

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation is stated after charging		
Depreciation charge for the year on owned tangible fixed assets	3	12
Remuneration receivable by the company's auditors for the auditing of the company's accounts	3	3
And after crediting		
Profit on disposal of freehold property (note 7)	1,353	-
Rental income	14	96

7 Exceptional items

During the year, the company sold its freehold property at Chalfont for £2,500,000, realising an exceptional profit on disposal of £1,353,000. This transaction had no tax effect.

H R Owen Motor Properties Limited

8 Taxation on profit on ordinary activities

a) Analysis of charges for the year

	2006 £'000	2005 £'000
Current tax:		
UK corporation tax on profits for the year	-	-
Adjustments in respect of previous years	-	-
Total current tax (see note 8b)	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-

b) Factors affecting the current tax charge for the year

The current charge for the year is different from the standard rate of corporation tax in the UK. The difference is explained below:

	2006 £'000	2005 £'000
Profit on ordinary activities before tax:	1,525	114
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 30% (2005: 30%)	458	34
Effect of:		
Expenses not deductible for tax purposes	1	4
Losses claimed as group relief	(52)	(38)
Effect of capital transactions	(407)	-
Current tax charge for the year (see note 8a)	-	-

Factors that may affect future tax charges:

No provision has been made for deferred tax on gains recognised on the sale of capital items where potentially taxable gains have or will be rolled over into replacement assets. The total amount of unprovided deferred tax is £nil (2005: £437,000).

9 Dividends

	2006 £'000	2005 £'000
Final proposed dividend declared of £nil per ordinary share (2005: £nil)	-	-

H R Owen Motor Properties Limited

10 Tangible fixed assets

	Freehold land and buildings £'000
Cost	
At 1 January 2006	1,234
Disposals	(1,234)
	-
Depreciation	
At 1 January 2006	85
Charge for the year	3
Eliminated on disposal	(88)
At 31 December 2006	-
Net book value	
At 31 December 2006	-
Net book value	
At 31 December 2005	1,149

11 Debtors

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Amounts due from group undertakings	2,276	543
Other debtors	-	10
	2,276	553

12 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Other taxation	-	4
Other creditors	-	24
	-	28

H R Owen Motor Properties Limited

13 Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Amounts owed to group undertakings	-	1,602

14 Deferred taxation

There is no deferred tax provided at 31 December 2006 (2005 £nil) There was no unprovided deferred tax as at 31 December 2006 in respect of capital gains where rollover relief has been claimed (2005 £437,000)

15 Called up share capital

	Ordinary £1 shares	
	Number	£'000
Authorised		
At 1 January and 31 December 2006	4,000	4
Allotted, called up and fully paid		
At 1 January and 31 December 2006	4,000	4

16 Profit and loss account

	£'000
At 1 January 2006	747
Profit for the year	1,525
At 31 December 2006	2,272

17 Reconciliation of movements in equity shareholders' funds

	2006 £'000	2005 £'000
Profit for the year	1,525	114
Opening equity shareholders' funds	751	637
Closing equity shareholders' funds	2,276	751

H R Owen Motor Properties Limited

18 Contingent liabilities

HSBC Bank plc hold unlimited guarantees by the Company in respect of amounts owing by H R Owen Plc, the holding company, and its subsidiaries. At 31 December 2006 the total amount outstanding to HSBC Bank plc by H R Owen Plc and its subsidiaries in respect of bank term loans, mortgages and overdrafts was £nil (2005 £13,819,000)

19 Related party transactions

As a wholly owned subsidiary whose results are included in the consolidated financial statements of H R Owen Plc (see note), the company is exempt under FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the H R Owen plc group

20 Ultimate parent company

The directors regard H R Owen Plc, a company registered in England and Wales, as the ultimate parent company. According to the register kept by the company, H R Owen Plc had a 100% interest in the equity capital of H R Owen Motor Properties Limited at 31 December 2006

Copies of the parent company's consolidated financial statements may be obtained from the Company Secretary, H R Owen Plc, 75 Kinnerton Street, London SW1X 8ED