

Tozer Kemsley and Millbourn Automotive Limited

(Registered Number: 893104)

Annual Report and Financial statements

For the year ended 31 December 2008



Inchcape House
Langford Lane
Kidlington
Oxford
OX5 1HT

Tozer Kemsley and Millbourn Automotive Limited

Directors' report

Director's report for the year ended 31 December 2008

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

Principal activities

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

Review of business and future developments

It is not envisaged that there will be any change in the Company's activities in the foreseeable future.

Financial and principal risks

The Directors of Inchcape plc manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that disclosure of the Group's risk would not be appropriate for an understanding of the development, performance or position of Tozer Kemsley and Millbourn Automotive Limited.

Financial instruments

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.

Results and dividends

The Company's profit for the financial year is £30,876,000 (2007: £40,092,000).

There were no dividends paid throughout the year (2007: £nil). The Directors do not recommend the payment of a final dividend (2007: £nil).

Directors and their interests

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

A C Jeary
M P Wheatley

No director had any interest in the shares of the Company (or any of its subsidiary undertakings) at either 1 January 2008 or 31 December 2008.

Transactions with Directors

No transaction, arrangement or agreement required to be disclosed under the terms of the Companies Act 1985 was outstanding at 31 December 2008, or occurred during the year for any Director or connected person (2007: None).

Tozer Kemsley and Millbourn Automotive Limited

Directors' report (continued)

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

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.

By order of the Board



M P Wheatley
Secretary

20th July 2009

Tozer Kemsley and Millbourn Automotive Limited

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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.

Tozer Kemsley and Millbourn Automotive Limited

Independent auditors' report to the members of Tozer Kemsley and Millbourn Automotive Limited

We have audited the financial statements of Tozer Kemsley and Millbourn Automotive Limited for the year ended 31 December 2008 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' responsibilities 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 information given in 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

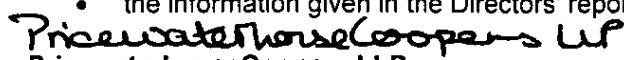
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 2008 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
London

23/7/2009

Tozer Kemsley and Millbourn Automotive Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Administrative expenses		(371)	(197)
Operating loss	2	(371)	(197)
Income from shares in group undertakings		28,461	38,539
Profit on ordinary activities before interest and taxation		28,090	38,342
Interest received and other similar income	4	3,955	2,427
Profit on ordinary activities before taxation		32,045	40,769
Tax on profit on ordinary activities	5	(1,169)	(677)
Profit for the financial year		30,876	40,092

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

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

All the activities of the Company are continuing.

Tozer Kemsley and Millbourn Automotive Limited

Balance sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	6	98,139	98,510
Current assets			
Debtors – amounts falling due after more than one year	7	93,079	60,669
Cash at bank and in hand		162	128
		93,241	60,797
Creditors – amounts falling due within one year	8	(1,874)	(677)
Net current assets		91,367	60,120
Total assets less current liabilities		189,506	158,630
Creditors – amounts falling due after more than one year	9	(143)	(143)
Net assets		189,363	158,487
Capital and reserves			
Called up share capital	10	13,775	13,775
Share premium account	11	78,234	78,234
Profit and loss reserve	11	97,354	66,478
Total shareholders' funds	12	189,363	158,487

The financial statements on pages 5 to 11 were approved by the Board of Directors on 20th July 2009 and were signed on its behalf by:



A C Jeary
Director

Tozer Kemsley and Millbourn Automotive Limited

Notes to the financial statements for the year ended 31 December 2008

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'.

No new accounting standards have been adopted during the year.

Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 1985.

Group financial statements

In accordance with the exemption permitted by Section 228 of the Companies Act 1985 no Group financial statements have been prepared.

Fixed asset investments

Fixed asset investments are stated at cost, less provision for impairment in value.

Dividend

Income from investments is included in the profit and loss account on a cash receipts basis.

Interest

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

2. Operating loss

	2008 £'000	2007 £'000
Operating loss is stated after charging:		
Provision for impairment of investment	371	169
Sundry expenses	-	28

3. Directors' emoluments, employee information and auditors' remuneration

As in 2007, the Company has no employees except the Directors and hence has no salary, social security or pension costs. The Directors do not receive any remuneration from the Company as their services to the Company are deemed to be non-qualifying for the purposes of the Companies Act 1985 (as amended).

As in 2007, auditors' remuneration has been borne by a fellow subsidiary undertaking on behalf of the Company.

Tozer Kemsley and Millbourn Automotive Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

4. Interest receivable and other similar income

	2008 £'000	2007 £'000
Interest receivable from cash at bank and in hand	7	6
Interest receivable from group undertakings	3,948	2,421
	3,955	2,427

5. Tax on profits for the year

	2008 £'000	2007 £'000
Current tax:		
UK Corporation tax on profits for the period	1,127	17,194
Double tax relief	-	(16,517)
Corporation tax prior year adjustments	42	-
Tax on profit on ordinary activities	1,169	677

The tax assessed for the year is equal to the profits at the effective large companies' rate of Corporation tax in the UK of 28.5% (2007: 30%).

The standard rate of Corporation tax in the UK changed to 28% with effect from 1 April 2008. Accordingly, the Company's profits for the year have been taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

The expected tax charge is reconciled to the actual tax charge below:

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	32,045	40,769
Profit on ordinary activities multiplied by effective rate of Corporation tax in the UK of 28.5% (2007: 30%)	9,133	12,230
Effects of:		
Non taxable income	(8,006)	(11,553)
Corporation tax – prior year adjustments	42	-
Current tax charge / (credit) for the year	1,169	677

Tozer Kemsley and Millbourn Automotive Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

6. Fixed asset investments

	Investment in subsidiary undertakings £'000	Investment in quoted company £'000	Total £'000
Cost			
At 1 January and 31 December 2008	107,193	2,997	110,190
Amounts provided for			
At 1 January 2008	(9,191)	(2,489)	(11,680)
Provided during the year	-	(371)	(371)
As at 31 December 2008	(9,191)	(2,860)	(12,051)
Net book value			
As at 31 December 2008	98,002	137	98,139
As at 31 December 2007	98,002	508	98,510

In the opinion of the Directors of the Company the aggregate value of the shares in, and the amounts owing from, the Company's subsidiaries is not less than the amount as shown in the balance sheet.

The Company owns 378,788 shares in Auto-By-Tel Corporation, a Company listed on NASDAQ. The market value at 31 December 2008 was £136,784 (2007: £508,223).

Shares in subsidiaries are stated at cost less provision for impairment in value. A list of principal subsidiaries, their country of incorporation, and proportion of the nominal value of shares held and principal activity is given below:

	Country of incorporation of registration	Proportion of nominal value of share held	Principal activity
Subsidiary undertakings			
Inchcape (Australia) Limited	Australia	97.61%	Motors import and distribution
Nexus Corporation Limited	England & Wales	100%	Investment holding
Tozer International Holdings Limited	England & Wales	100%	Investment holding
Inchcape Motors Finland OY	Finland	100%	Motors import and distribution

Tozer Kemsley and Millbourn Automotive Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

7. Debtors – amounts due after more than one year

	2008 £'000	2007 £'000
Amounts owed from group undertakings	93,079	60,669

Amounts owed from group undertakings are unsecured, bear interest at rates linked to LIBOR and are due for repayment in 2010.

8. Creditors – amounts due within one year

	2008 £'000	2007 £'000
Sundry creditors	28	-
Amounts due to group undertakings	1,846	677
	1,874	677

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

9. Creditors – amounts due after more than one year

	2008 £'000	2007 £'000
Amounts due to group undertakings	143	143

Amounts due to group undertakings are unsecured, interest free and fall due for repayment in 2010.

10. Called up share capital

	2008 £'000	2007 £'000
Authorised		
200,000,000 ordinary shares of 100.0p each	20,000	20,000
Allotted and fully paid		
13,775,255 ordinary shares of 100.0p each	13,775	13,775

11. Reserves

	Share premium account £'000	Profit and loss reserve £'000
At 1 January 2008	78,234	66,478
Profit for the financial year	-	30,876
As at 31 December 2008	78,234	97,354

Tozer Kemsley and Millbourn Automotive Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

12. Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Profit for the financial year	30,876	40,092
Opening shareholders' funds	158,487	118,395
Closing shareholders' funds	189,363	158,487

13. 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 31 December 2008 was £161,458 (2007: £127,527).

14. Cash flow statement

A cash flow statement is not required as Inchcape plc, the Company's ultimate holding company, has complied with Financial Reporting Standard 1 (revised) by including a consolidated cash flow statement in its Report and financial statements for the year ended 31 December 2008. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

15. Related party transactions

The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Inchcape plc group or investees of the Inchcape plc group. The Company has no other relationships, transactions or balances that are required to be disclosed under FRS 8.

16. Immediate and ultimate parent undertakings

The immediate parent undertaking is Inchcape Motors International Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking is Inchcape plc, a public company incorporated in England and Wales. Copies of Inchcape plc's consolidated financial statements may be obtained from the Group Company Secretary at 22a St James's Square, London SW1Y 5LP. The parent undertaking, which heads the smallest and largest groups for which consolidated financial statements are prepared is Inchcape plc.