

**Abbey Garages (Cardiff) Limited**

**Directors' report and financial  
statements**

**Registered number 1403368**

**28 February 2014**

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## Strategic report

### Business review

The results for the year are shown in the profit and loss account on page 7 and show a loss before tax for the financial year of £56,531 (2013: £7,221).

The Company continues to make progress in increasing its sales volumes although margins continue to be under pressure. Significant emphasis continues to be placed on fuel efficient, low CO2 vehicles. New products continue to be launched that reflect customers movement towards innovative products with good fuel economy and reduced costs of motoring.

Volumes in the Volvo car franchise have improved and further improvements in volumes are being sought. The aftermarket has performed in line with expectations and again further increases in volumes are being sought. The V40 hatchback model launched in 2012 is proving popular with customers and is providing increased volume for the franchise. Brand awareness for Volvo in the Company's area continues to grow and will be further enhanced with Cardiff being one of the visited ports in the prestigious round the world Volvo Ocean Race in 2017. In 2014 Volvo launched the all new XC90 SUV, although deliveries of this model will not take place until the first quarter of 2015. The initial reaction of the Motoring Press to the vehicle has been very positive.

The MG franchise continued during the year, although volumes remain very small. The brand continued into 2014 with the MG6 saloon car with both petrol and diesel engines, together with the long awaited smaller MG3 hatchback which was launched towards the end of 2013. This vehicle is well positioned in the market place and has proved popular with price conscious customers. This new vehicle has provided greater brand awareness at a national level although volumes remain small in relation to the Company's overall sales volumes.

New car industry sales volumes have continued to climb year on year and are likely to result in an all makes market in the order of 2.4M new vehicles being registered in the UK in 2014. Whilst this is a positive step in terms of the new car market in the UK, there is considerable pressure from all manufacturers to take up the slack created by the poor performance of the remaining European car markets. This inevitably puts new car margins under pressure.

In 2013 the Company once again won the Ford of Europe Chairman's Award for customer satisfaction; it is a tribute to the efforts and success of all of the staff involved in helping to achieve this prestigious award for an incredible tenth time and the Directors wish to extend their thanks to all members of staff for the quality of their customer service and outstanding efforts during the year.

### Strategy

The Company gives consideration to its short, medium and long term strategies. The Company has operated as a Franchised Motor Dealership for in excess of 35 years. During this time it has expanded the number of franchises that it holds to include Ford, Volvo and MG.

The Company's short to medium term strategy is to develop these franchises to maximise its return from the existing operation and to seek further opportunities to add additional franchises or outlets where the Company considers such additions will enhance its returns. To this end, the Company has recently been offered and has taken up the Ford Transit Franchise for the Cardiff area.

The longer term strategy is for the Company to become the dominant force in the areas in which it operates for the franchises that it holds. To that end, it will seek to strengthen its market representation within its area of operation should such opportunities arise.

## Strategic report *(continued)*

### Risks

As with any business there are potential risks to its operation. The Company gives due consideration to what these may be and also the potential impact on its business.

The Company gives due consideration to what these may be and also the potential impact on its business. The directors consider the main risk to be a rise in interest rates. The current guidance from the Governor of the Bank of England would suggest that rises in interest rates could occur in 2015. The Governor has indicated that these are likely to be small and the timing and amounts of any increase will be such that they will be used only to prevent the economy from overheating. The risk to the Company's operation is therefore small with regards not only to the increase in the amount of interest that it pays but also to the impact on the purchase decisions of its future customers.

As with any business the potential for economic downturn presents uncertainty. The Company recognises the cyclical nature of the economy and makes investment decisions based on its assessment of the prospects for economic growth and the future demand for its products and services.

The Company sources its main products ie. motor vehicles and motor vehicle parts primarily from the manufacturers of these products. As part of its ongoing reviews, the Company maintains a watch on the financial performance, viability and future prospects of its vehicle and parts suppliers. The Company is satisfied that its suppliers continue to invest in new products that enable the Company to achieve a satisfactory return on its investments in the brands that it represents.

By order of the Board



**RJ Evans**  
*Secretary*

281 Penarth Road  
Cardiff  
CF11 8YZ

*12th November 2014*

## Directors' report

The directors present their annual report and audited financial statements for the year ended 28 February 2014.

### Principal activities

The principal activity of the company remained that of a motor dealer and repairer.

### Dividends

The directors do not recommend the payment of a dividend (2013: £Nil).

### Directors

The directors who held office during the year were as follows:

W M Barritt  
R C Pugsley

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



RJ Evans  
Secretary

281 Penarth Road  
Cardiff  
CF11 8YZ

12th November 2014

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX  
United Kingdom

### **Independent auditor's report to the members of Abbey Garages (Cardiff) Limited**

We have audited the financial statements of Abbey Garages (Cardiff) Limited for the year ended 28 February 2014 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 28 February 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Abbey Garages (Cardiff) 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.

**Emma Holiday (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

28 November 2014



**Profit and loss account**  
*for the year ended 28 February 2014*

	<i>Note</i>	<b>2014</b> £	<b>2013</b> £
<b>Turnover</b>	<i>1</i>	<b>43,761,755</b>	36,566,983
Cost of sales		<b>(39,167,748)</b>	(32,814,346)
<b>Gross profit</b>		<b>4,594,007</b>	3,752,637
Distribution costs		<b>(1,912,750)</b>	(1,580,754)
Administrative expenses		<b>(2,802,904)</b>	(2,234,689)
Other operating income		<b>137,501</b>	140,061
<b>Operating profit</b>		<b>15,854</b>	77,255
Interest payable and similar charges	<i>5</i>	<b>(72,385)</b>	(84,476)
<b>Loss on ordinary activities before taxation</b>	<i>2-5</i>	<b>(56,531)</b>	(7,221)
Tax on loss on ordinary activities	<i>6</i>	<b>(10,263)</b>	(19,576)
<b>Loss on ordinary activities after taxation, being loss for the financial year</b>	<i>13</i>	<b>(66,794)</b>	(26,797)

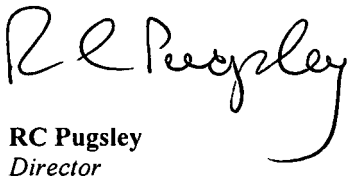
The above results represent the total recognised gains and losses of the company in both financial years and relate entirely to continuing operations.

There is no material difference between the result as disclosed in the profit and loss account and the result as given by an unmodified historical cost basis.

**Balance sheet**  
*at 28 February 2014*

	<i>Note</i>	<b>2014</b>	<b>2013</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	7	2,569,403	2,713,469
<b>Current assets</b>			
Stocks	8	12,498,757	9,992,917
Debtors	9	2,394,806	2,167,574
Cash in hand and at bank		48,747	16,840
		<u>14,942,310</u>	<u>12,177,331</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(14,375,411)</u>	<u>(11,694,704)</u>
<b>Net current assets</b>		<u>566,899</u>	<u>482,627</u>
<b>Total assets less current liabilities, being net assets</b>		<u>3,136,302</u>	<u>3,196,096</u>
<b>Capital and reserves</b>			
Called up share capital	12	600,000	600,000
Revaluation reserve	13	896,848	906,267
Profit and loss account	13	1,639,454	1,689,829
<b>Equity shareholder's funds</b>	14	<u>3,136,302</u>	<u>3,196,096</u>

These financial statements were approved by the board of directors on 12 November 2014 and were signed on its behalf by:

  
**RC Pugsley**  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with the historical cost accounting rules, modified to include the revaluation of certain freehold properties, and conform to applicable accounting standards.

The financial statements have been prepared on a going concern basis, notwithstanding the loss for the year of £66,794, as the company has net current assets of £566,899 and so can therefore meet its liabilities as they fall due within the next 12 months. In addition directors have prepared budgets and forecasts which indicate an improvement for 2014/15.

Bank facilities with HSBC are due for renewal in September 2015. The directors are not aware of anything to indicate that these facilities will not be renewed. As at 28 February 2014 the maximum facility available to the Group of which Abbey Garages (Cardiff) Limited is a member was £2,500,000, and the Group was within this limit.

#### *Cash flow statement*

The company is exempt from the requirement of FRS 1(Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking whose parent has prepared a consolidated cash flow statement which incorporates the cash flows of the company and which is available to the public.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	30 years
Plant and machinery	2-10 years
Fixtures, fittings, tools and equipment	4 -10 years

No depreciation is provided on freehold land.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligations for future instalments.

All other leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Pensions*

The company participates in a defined contribution scheme and the charge against profits is the amount of contributions payable to the pension scheme in respect of the accounting period.

#### *Share based payments*

The company's Enterprise Management Incentives share option scheme allows employees to acquire shares of the company. The fair value of options granted and not yet vested as at 28 February 2014 is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The estimate of the fair value of the option is measured based on the fair value of the equity instruments granted and is calculated on an option pricing model (with the contractual life of the option and expectations of early exercise built into the model).

## Notes (continued)

### 1 Accounting policies (continued)

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, in full, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of goods and services to customers during the year. Income is recognised when all significant risks and rewards of ownership have been transferred to the customer, which is generally on despatch of goods from the company or on the provision of services by the company. All turnover and (loss)/profit on ordinary activities before taxation is derived from the UK and arises solely from the principal activity of the company.

### 2 Loss on ordinary activities before taxation

	2014 £	2013 £
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
<i>Audit services</i>		
Fees payable to the company auditor for the audit of company accounts	12,600	12,500
Fees payable to the company auditor and associates for other services:		
- tax services	3,275	3,100
- VAT services	-	4,500
Depreciation	173,580	179,364
	<hr/>	<hr/>

### 3 Remuneration of directors

No director received any remuneration in either year.

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2014	2013
Management	8	8
Administration	23	21
Service and sales staff	81	77
	<hr/>	<hr/>
	112	106
	<hr/>	<hr/>

The payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	2,228,412	1,956,121
Social security costs	255,430	228,545
Pension costs (see note 17)	4,001	4,127
	<hr/>	<hr/>
	2,487,843	2,188,793
	<hr/>	<hr/>

### 5 Interest payable and similar charges

	2014	2013
	£	£
Vehicle stocking plans	65,504	76,115
Finance charges in respect of finance leases and hire purchase contracts	6,881	8,361
	<hr/>	<hr/>
	72,385	84,476
	<hr/>	<hr/>

## Notes (continued)

### 6 Tax on loss on ordinary activities

Analysis of the charge/(credit) in the year:

	2014 £	2013 £
<b>Current tax</b>		
UK corporation tax on profits for the year	7,994	12,000
Adjustment in respect of prior years	-	-
Group relief	-	10,035
	<hr/>	<hr/>
Total current tax charge	7,994	22,035
<b>Deferred tax</b>		
Deferred tax charge/(credit) for the year (note 11)	2,269	(2,459)
Adjustment in respect of prior years (note 11)	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	10,263	19,576
	<hr/>	<hr/>

#### Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2013: higher) than the blended rate of corporation tax in the UK of 23.1% (2013: 24.2%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(56,531)	(7,221)
	<hr/>	<hr/>
Loss on ordinary activities before tax multiplied by the blended rate of corporation tax of 23.1% (2013: 24.2%)	(13,059)	(1,747)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,712	2,229
Depreciation in excess of capital allowances	22,564	24,982
Adjustment in respect of prior years	-	-
Other timing differences	(2,983)	(909)
Difference in tax rates	(1,240)	(2,520)
	<hr/>	<hr/>
Current tax charge for the year	7,994	22,035
	<hr/>	<hr/>

A reduction in the rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 28 February 2014 has been calculated based on the rate of 20% which was substantively enacted at the balance sheet date.

## Notes (continued)

### 7 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings tools and equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At beginning of year	3,328,075	553,697	608,946	4,490,718
Additions	-	13,191	16,323	29,514
Disposals	-	(15,828)	-	(15,828)
<b>At end of year</b>	<b>3,328,075</b>	<b>551,060</b>	<b>625,269</b>	<b>4,504,404</b>
<b>Analysis</b>				
Assets at cost	1,828,075	551,060	625,269	3,004,404
Assets at valuation	1,500,000	-	-	1,500,000
	3,328,075	551,060	625,269	4,504,404
<b>Depreciation</b>				
At beginning of year	890,515	492,431	394,303	1,777,249
Disposals	-	(15,828)	-	(15,828)
Charge for year	78,251	38,922	56,407	173,580
<b>At end of year</b>	<b>968,766</b>	<b>515,525</b>	<b>450,710</b>	<b>1,935,001</b>
<b>Net book value</b>				
At 28 February 2014	2,359,309	35,535	174,559	2,569,403
At 28 February 2013	2,437,560	61,266	214,643	2,713,469

The freehold premises, included above at a revaluation, were professionally valued by Messrs Cooke and Arkwright on an existing use open market basis in a report dated 19 April 1989. In accordance with the transitional provisions set out in FRS 15 *Tangible Fixed Assets*, these valuations have not been updated. Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost. The amount of freehold land and buildings (included above at a revaluation) determined according to the historical cost accounting rules is as follows:

	2014 £	2013 £
Cost	446,416	446,416
Depreciation	(322,124)	(311,876)
	<b>124,292</b>	<b>134,540</b>

Included within freehold land and buildings is land amounting to £1,086,812 (2013: £1,086,812) which is not depreciated.

## Notes (continued)

### 8 Stocks

	2014 £	2013 £
Motor vehicles	12,141,526	9,581,411
Motor vehicle parts	297,516	331,531
Petrol, oil and sundry	59,715	79,975
	<u>12,498,757</u>	<u>9,992,917</u>

Vehicle stocks with a value of £ Nil (2013: £18,564) which are the property of the company are subject to separate finance arrangements.

### 9 Debtors

	2014 £	2013 £
Trade debtors	600,029	678,658
Amounts owed by group undertakings	502,648	504,030
Other debtors	1,211,058	891,637
Deferred tax asset (see note 11)	28,876	31,145
Prepayments and accrued income	52,195	62,104
	<u>2,394,806</u>	<u>2,167,574</u>

The deferred tax asset is recoverable in more than one year.

### 10 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank overdraft	-	415,251
Obligations under hire purchase contracts	-	25,802
Trade creditors	12,904,646	10,200,579
Amounts owed to group undertakings in respect of group relief	176,901	176,901
Other creditors, including taxes and social security:		
Other creditors	70,511	84,767
Corporation tax	7,994	12,000
Other taxes and social security	76,072	71,256
Accruals and deferred income	1,139,287	708,148
	<u>14,375,411</u>	<u>11,694,704</u>



## Notes (continued)

### 11 Deferred taxation

	Asset £
At beginning of year	(31,145)
Charged to profit and loss during the year	2,269
	<hr/>
At end of year (note 9)	<b>(28,876)</b>
	<hr/>

The amounts provided for deferred taxation are set out below:

	2014 Amount provided liability/(asset) £	2013 Amount provided liability/(asset) £
Difference between accumulated depreciation and capital allowances	(11,004)	(9,233)
Other timing differences	(17,872)	(21,912)
	<hr/>	<hr/>
	<b>(28,876)</b>	<b>(31,145)</b>
	<hr/>	<hr/>

The deferred tax asset at 28 February 2014 has been calculated based on the rate of 20% which was substantively enacted at the balance sheet date.

### 12 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
600,000 ordinary shares of £1 each	<b>600,000</b>	<b>600,000</b>
	<hr/>	<hr/>

## Notes (continued)

### 13 Reserves

	Revaluation reserve £	Profit and loss account £
At beginning of year	906,267	1,689,829
Depreciation on revaluation surplus released to profit and loss account	(9,419)	9,419
Loss for the financial year	-	(66,794)
Contribution from parent undertaking	-	7,000
<b>At end of year</b>	<b>896,848</b>	<b>1,639,454</b>

### 14 Reconciliation of movements in shareholder's funds

	2014 £	2013 £
Opening shareholder's funds	3,196,096	3,215,893
Loss for the financial year	(66,794)	(26,797)
Contribution from parent undertaking	7,000	7,000
<b>Closing shareholder's funds</b>	<b>3,136,302</b>	<b>3,196,096</b>

### 15 Commitments

At the year end there were no capital commitments (2013: £Nil).

The company has no annual commitments under non-cancellable operating leases (2013: Nil).

### 16 Contingent liabilities

The company is contingently liable, together with its ultimate parent and certain fellow subsidiary undertakings, for an unlimited multilateral guarantee in respect of the net position of the group's bank overdrafts and cash balances. The net liability at 28 February 2014 was £nil (2013: £3,097), none of which has been provided for in these financial statements (2013: £Nil).

### 17 Pension scheme

The company participates in the Penarth Commercial Properties Limited group pension scheme. The scheme is a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. At the year end, there were no outstanding contributions payable to the scheme (2013: £Nil). The pension charge represents the following contributions payable by the company during the year:

	2014 £	2013 £
Contributions payable into group fund (note 4)	4,001	4,127

## Notes (continued)

### 18 Related party transactions

As the company is a wholly owned subsidiary of Penarth Commercial Properties Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with other 100% owned entities which form part of the group.

### 19 Ultimate parent company and controlling party

The company's ultimate parent is Penarth Commercial Properties (Holdings) Limited, a company registered in Wales. Its immediate parent undertaking is Penarth Commercial Properties Limited, a company registered in Wales. The largest group in which the results of the company are consolidated is that headed by Penarth Commercial Properties (Holdings) Limited. The smallest group in which the results of the company are consolidated is that headed by Penarth Commercial Properties Limited. The consolidated accounts of these companies are available to the public and may be obtained from Ford House, 281 Penarth Road, Cardiff.

The ultimate controlling party is considered to be Roger Pugsley by virtue of his 100% shareholding in Penarth Commercial Properties (Holdings) Limited.

### 20 Share Based Payments

The company participates in a single Enterprise Management Incentives share option scheme under which a maximum of 300,000 shares of the ultimate parent company may be placed under option for employees. The scheme is operated by Penarth Commercial Properties (Holdings) Limited. The options are exercisable 10 years from date of grant, or earlier only in certain specified circumstances such as the takeover or flotation of the group. Options exercised are to be settled by the physical delivery of shares in the ultimate parent company.

The grant date, exercise price per share and number of shares are as follows:

Grant date	Exercise price £	Number of shares	Expiry date of options
30 Sept 2005	0.30	100,000	30 Sept 2015

The number and weighted average exercise prices of share options in the company are as follows:

	2014 Weighted average exercise price (£)	2014 Number of options	2013 Weighted average exercise price (£)	2013 Number of options
Outstanding at the beginning and end of the year	0.3	100,000	0.3	100,000
Exercisable at the end of the year		-		-

The options outstanding at the year end have a maximum exercise price of £0.30 and a weighted average remaining contractual life of 2 years. The total expense recognised for each year arising from share based payments is as follows:

	2014 £	2013 £
Equity settled share based payment	7,000	7,000