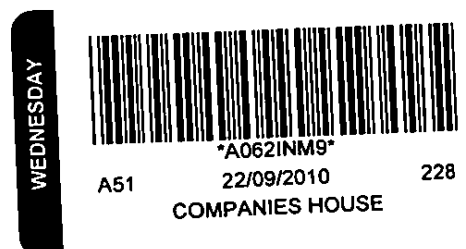


Maranello Sales Limited

**Directors' report and financial
statements**

Registered number 1443371

For the year ended 31 December 2009



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Directors' report

The directors present their annual report, together with the financial statements and auditors' report, for the year ended 31 December 2009

Principal activity and business review

The company's principal activity during the year comprised the operation of motor dealerships involving the sale, maintenance and repair of motor vehicles and the supply of related accessories

Results and dividends

The company's profit before tax for the year was £338,000 (2008 £779,000) Further details with regard to the trading results for the year and the amount transferred to reserves are set out on page 5 The directors do not recommend the payment of a dividend (2008 £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 risks and uncertainties affecting the company are considered to relate to competition from both national and independent retailers and employee retention

Further discussion of these risks and uncertainties, in the context of the Sytner Group as a whole, is provided in the directors' report for Sytner Group Limited, which does not form part of this report

Key performance indicators

The company is part of the Sytner Group The development, performance and position of the group, which includes this company, is provided in the directors' report for Sytner Group Limited, which does not form part of this report

Directors

The directors who served during the year and subsequently are shown below

GE Nieuwenhuys
M Carpenter

Creditor payment policy

The company's policy in respect of its suppliers is to agree terms of payment on or before entering into each transaction and to adhere to such terms, subject to satisfactory completion of the transaction concerned Where prior agreement is neither practicable nor feasible, invoices will be dealt with in a timely manner as part of a systematic payment process The company does not follow any code or standard on payment practice At 31 December 2009, the company's creditor days compared to the value of suppliers' invoices received in the year was 16 days (2008 13 days)

Directors' report *(continued)*

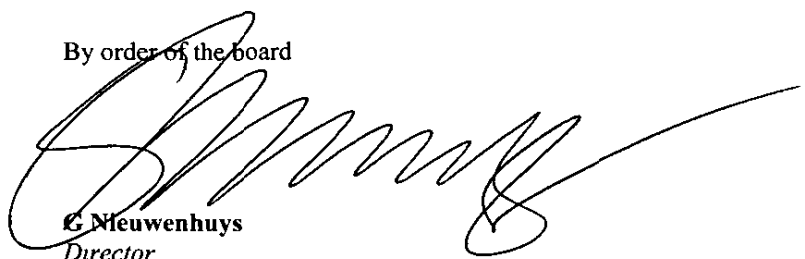
Disclosure of information to auditors

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 information of which the Company's auditors are 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 auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office

By order of the board

A large, stylized handwritten signature in black ink, appearing to read 'G. Nieuwenhuys', is written over the text 'By order of the board' and the name 'G. Nieuwenhuys'.

G. Nieuwenhuys
Director

2 Penman Way
Grove Park
Leicester
Leicestershire
LE19 1ST

21 September 2010

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing 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.

Independent auditors' report to the members of Maranello Sales Limited

We have audited the financial statements of Maranello Sales Limited for the year ended 31 December 2009 set out on pages 5 to 16. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 31 December 2009 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



JD Leech (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

21 September 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover			
Continuing operations		31,779	49,938
Acquisitions and new businesses		-	-
		<hr/> 31,779	<hr/> 49,938
Discontinued operations		-	-
Total turnover	<i>1</i>	31,779	49,938
Cost of sales		(27,371)	(44,182)
		<hr/> 4,408	<hr/> 5,756
Gross profit			
Distribution costs		(2,144)	(3,371)
Administrative expenses		(1,813)	(1,388)
Operating profit/(loss)			
Continuing operations		451	997
Acquisitions and new businesses		-	-
		<hr/> 451	<hr/> 997
Discontinued operations		-	-
Total operating profit/(loss)		451	997
Profit on sale of business		-	-
Profit on sale of fixed assets		-	-
		<hr/> 451	<hr/> 997
Profit/(loss) before finance charges			
Other interest receivable and similar income	<i>3</i>	-	-
Interest payable and similar charges	<i>4</i>	(113)	(218)
		<hr/> 338	<hr/> 779
Profit/(loss) on ordinary activities before taxation			
Tax on profit/(loss) on ordinary activities	<i>7</i>	(121)	(189)
		<hr/> 217	<hr/> 590
Profit/(loss) for the financial year		<hr/> <hr/> 217	<hr/> <hr/> 590

In each year, there were no recognised gains and losses other than the profit/(loss) for the year

In each year there are no material differences between the retained profit/(loss) and the historical cost equivalent

Notes from pages 7 to 16 form part of the financial statements

Balance sheet
at 31 December 2009

	<i>Note</i>	£000	2009 £000	£000	2008 £000
Fixed assets					
Intangible assets	9		-		-
Tangible assets	10		311		391
Investments	11		-		-
			<u>311</u>		<u>391</u>
Current assets					
Stocks	12	2,312		5,786	
Debtors	13	5,596		5,695	
Cash at bank		2		3	
		<u>7,910</u>		<u>11,484</u>	
Creditors amounts falling due within one year	14	(6,049)		(9,920)	
Net current assets			<u>1,861</u>		<u>1,564</u>
Total assets less current liabilities			<u>2,172</u>		<u>1,955</u>
Creditors amounts falling due after more than one year	15		-		-
Provisions for liabilities and charges	16		-		-
Net assets			<u>2,172</u>		<u>1,955</u>
Capital and reserves					
Called up share capital	17		-		-
Capital redemption reserve			-		-
Profit and loss account	18		2,172		1,955
Total equity shareholders' funds	19		<u>2,172</u>		<u>1,955</u>

These financial statements were approved by the board of directors on 21 September 2010 and were signed on its behalf by


G. Nieuwenhuys
Director

Company number 1443371

Notes from pages 7 to 16 form part of the financial statements

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 group's financial statements

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors Report on page 1. The company has considerable financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover, which arises wholly in the United Kingdom from the company's principal activity, being that of the operation of motor dealerships, is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Turnover is recognised in most cases on despatch of vehicles and parts and after service work is completed. In some instances, a customer may pay in full for the vehicle and accept responsibility for it but request that the company retains possession of the vehicle for delivery at a specified later date. Turnover is recognised on these transactions at the point of payment as the company believes that the risks and rewards of ownership have transferred.

Cash flow statement

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Sytner Group Limited which includes the company in its own consolidated financial statements which are publicly available.

Investment in subsidiaries

Shares in subsidiary companies are stated at cost less any provision for impairment.

Acquisitions

Acquisitions are accounted for under the acquisition accounting method. The results of businesses acquired are consolidated for the period from the date on which control passed.

Goodwill, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is amortised on a straight line basis over a period up to 20 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land and buildings	-	50 years
Short leasehold buildings	-	over lease term
Fixtures and equipment and motor vehicles	-	between 3 and 10 years
Courtesy Vehicles	-	4 years

Residual value is calculated on prices prevailing at the date of acquisition.

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value and include interest bearing consignment vehicles. Cost incurred in bringing each product to its present location and condition is based on purchase price less trade discounts. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charge for taxation is based on the profit 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, without discounting, 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.

Pension costs

A number of employees are members of the Sytner Group Pension Plan, a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

2 Profit and loss analysis

Year ended 31 December 2009

	Continuing operations	Acquisitions and new businesses	Discontinued operations	Total
	£000	£000	£000	£000
Turnover	31,779	-	-	31,779
Cost of sales	(27,371)	-	-	(27,371)
Gross profit	4,408	-	-	4,408
Distribution costs	(2,144)	-	-	(2,144)
Administrative costs	(1,813)	-	-	(1,813)
Operating profit	451	-	-	451
Operating profit before goodwill	451	-	-	451
Goodwill amortisation	-	-	-	-
Operating profit after goodwill	451	-	-	451

Notes (continued)

2 Profit and loss analysis (continued)

Year ended 31 December 2008

	Continuing operations £000	Discontinued operations £000	Total £000
Turnover	49,938	-	49,938
Cost of sales	(44,182)	-	(44,182)
Gross profit	5,756	-	5,756
Distribution costs	(3,371)	-	(3,371)
Administrative costs	(1,388)	-	(1,388)
Operating profit/(loss)	997	-	997
Operating profit/(loss) before goodwill	997	-	997
Goodwill amortisation	-	-	-
Operating profit/(loss) after goodwill	997	-	997

3 Other interest receivable and similar income

	2009 £000	2008 £000
Bank interest	-	-

4 Interest payable and similar charges

	2009 £000	2008 £000
Stocking loan interest	43	196
Bank overdrafts	70	22
	113	218

5 Notes to the profit and loss account

	2009 £000	2008 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Depreciation		
Owned	106	119
Leased	-	-
Amortisation of goodwill	-	-
Operating lease rentals		
Land and buildings	525	616
Other	3	4

The audit fee for 2009 and 2008 has been borne by another group company on behalf of Maranello Sales Limited, for which no recharge has been made

Notes (continued)

6 Staff costs

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

	Number of employees	
	2009	2008
Workshop staff	26	34
Sales and distribution	13	19
Administration	10	9
	<hr/>	<hr/>
	49	62
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	2009	2008
	£000	£000
Wages and salaries	1,713	2,228
Social security costs	181	235
Pension costs	40	35
	<hr/>	<hr/>
	1,934	2,498
	<hr/>	<hr/>

Directors' remuneration

The directors who served during the year are all directors of an intermediate parent company, Sytner Group Limited and are remunerated by that company. It is not practicable to allocate their remuneration to individual companies in the group. The remuneration has, therefore, been disclosed in the financial statements of Sytner Group Limited.

7 Taxation

Analysis of charge in year

	2009	2008
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustment in respect of previous years	-	369
	<hr/>	<hr/>
Total current tax	-	369
	<hr/>	<hr/>
<i>Deferred tax (see note 16)</i>		
Origination/reversal of timing differences	124	229
Adjustment in respect of previous years	(3)	(409)
	<hr/>	<hr/>
Total deferred tax	121	(180)
	<hr/>	<hr/>
Tax on profit on ordinary activities	121	189
	<hr/>	<hr/>

Notes (continued)

7 Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2008 higher) than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	338	779
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	95	222
<i>Effects of</i>		
Tax deductible capitalised costs	-	-
Expenses not deductible for tax purposes	35	19
Non-deductible goodwill	-	-
Capital allowances in excess of depreciation	(42)	(55)
Difference between accounts profit and taxable profits on capital asset disposals	-	(1)
Accounting depreciation for which no relief due	-	-
Short term timing differences	-	-
Utilisation of tax losses	(88)	(39)
Other timing differences	-	(146)
Adjustment in respect of prior year	-	369
	<hr/>	<hr/>
Total current tax charge (see above)	-	369
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax assets accordingly.

Notes (continued)

8 Acquisitions and new businesses

During the year no business have been acquired by or transferred into Maranello Sales Limited. All businesses acquired have been accounted for using the acquisition method of accounting. For acquisitions the fair value of the assets transferred has been designated to be equivalent to net book value at the time of transfer.

Fair value and acquisition information in relation to the acquisitions where trade and assets have been acquired is shown below:

	Book and fair value £000
Transfer date: 31 December 2009	
Goodwill	-
Tangible fixed assets	-
Stocks	-
Debtors	-
Cash	-
Creditors	-
Deferred tax	-
	<hr/>
Net assets	-
	<hr/>
Consideration satisfied by cash	-
	<hr/>

Had this entity been acquired at the start of the year, the effect on profit after tax would have been to increase profit by £Nil (2008: increase by £Nil).

9 Intangible fixed assets

	Goodwill £000
Cost	
At beginning of year	-
Acquisition (note 8)	-
Disposal	-
	<hr/>
At end of year	-
	<hr/>
Amortisation	
At beginning of year	-
Charge for the year	-
Disposal	-
	<hr/>
At end of year	-
	<hr/>
Net book value	
At 31 December 2009	-
	<hr/>
At 31 December 2008	-
	<hr/>

Notes (continued)

10 Tangible fixed assets

	Freehold land and buildings	Short leasehold land and buildings	Fixtures and equipment	Motor vehicles	Courtesy vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At beginning of year	-	-	2,016	113	-	2,129
Additions	-	2	54	17	-	73
Disposals	-	-	(6)	(80)	-	(86)
Inter-company transfers	-	-	-	-	-	-
At end of year	-	2	2,064	50	-	2,116
Depreciation						
At beginning of year	-	-	1,680	58	-	1,738
Charge for year	-	-	98	8	-	106
Disposals	-	-	(6)	(33)	-	(39)
Inter-company transfers	-	-	-	-	-	-
At end of year	-	-	1,772	33	-	1,805
Net book value						
At 31 December 2009	-	2	292	17	-	311
At 31 December 2008	-	-	336	55	-	391

Included in tangible fixed assets are assets held under finance leases and hire purchase contracts with net book value of £Nil

Courtesy vehicles are funded by stocking loans which are secured as described in note 14

11 Investments

	£000
Cost and net book value	
At beginning and end of year	-

12 Stocks

	2009 £000	2008 £000
Vehicles for resale	1,596	2,577
Consignment stock	591	3,091
Parts	125	118
	2,312	5,786

Notes (continued)

13 Debtors

	2009 £000	2008 £000
Trade debtors	389	655
Amounts owed by group undertakings	4,558	4,320
Other debtors	168	137
Deferred tax asset (note 16)	360	481
Prepayments and accrued income	121	102
Corporation tax receivable	-	-
	<u>5,596</u>	<u>5,695</u>

14 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Shares classified as liabilities	-	-
Bank overdraft	277	941
Stocking loans	1,501	1,453
Consignment stock liabilities	591	3,091
Obligations under finance leases and hire purchase contracts (see note 15)	-	-
Trade creditors	950	1,681
Amounts owed to group undertakings	-	-
Corporation tax payable	56	56
Other taxes and social security	72	207
Other creditors	2,163	2,143
Accruals and deferred income	439	348
	<u>6,049</u>	<u>9,920</u>

The stocking loans are secured on the vehicles to which they relate and bear interest related to Finance House base rates

Amounts owed to group undertakings are interest free and do not have a fixed repayment date

15 Creditors: Amounts falling due after more than one year

	2009 £000	2008 £000
Obligations under finance leases and hire purchase contracts payable		
Between one and two years	-	-
Between two and five years	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

16 Provisions for liabilities and charges

The provision for liabilities and charges comprise deferred tax as follows

	2009 £000	2008 £000
Decelerated capital allowances	(162)	(198)
Other timing differences	(198)	(283)
	<u>(360)</u>	<u>(481)</u>
Deferred tax asset	<u>(360)</u>	<u>(481)</u>

There is no unprovided deferred tax at either the current year end or preceding year end

Movements on the provision for deferred tax are analysed below

	2009 £000	2008 £000
Balance at beginning of year	(481)	(301)
Charged/(credited) to profit and loss account (note 7)	121	(180)
	<u>(360)</u>	<u>(481)</u>
Balance at end of year	<u>(360)</u>	<u>(481)</u>

These balances are included in debtors – see note 13

17 Called up share capital

	2009 £000	2008 £000
<i>Allotted</i>		
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

18 Profit and loss account

	2009 £000	2008 £000
Balance at beginning of year	1,955	1,365
Profit for the financial year	217	590
	<u>2,172</u>	<u>1,955</u>
Balance at end of year	<u>2,172</u>	<u>1,955</u>

19 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Opening shareholders' funds	1,955	1,365
Profit for the financial year	217	590
	<u>2,172</u>	<u>1,955</u>
Closing shareholders' funds	<u>2,172</u>	<u>1,955</u>

Notes (continued)

20 Financial commitments

Operating leases

Annual commitments under non-cancellable leases are as follows

	Land and buildings		Other leases	
	2009 £000	2008 £000	2009 £000	2008 £000
Expiry date				
Within one year	-	74	-	-
Between two and five years	-	-	5	4
After five years	555	515	-	-
	<u>555</u>	<u>589</u>	<u>5</u>	<u>4</u>

Capital commitments

The company had no capital commitments at either this year end or the previous year end

Contingent liabilities

As at 31 December 2009 the gross borrowings outstanding under the Group's bank facilities in aggregate were £51,509,000 (2009 £55,987,000)

21 Ultimate parent company and controlling party

The company is a subsidiary undertaking of Penske Automotive Group, Inc, incorporated in Michigan, USA. Penske Automotive Group, Inc is also the largest group in which the results of the company are consolidated. The consolidated financial statements are available from 2555 Telegraph Road, Bloomfield Hills, Detroit, MI 48302-0954, USA.

The smallest group in which the results are consolidated is that headed by Sytner Group Limited incorporated in England and Wales. The consolidated financial statements are available to the public from the registrar of companies.

22 Related party transactions

The company entered into a number of transactions during the year with other companies within the above group. Under the provisions of FRS 8 no disclosure has been provided on the grounds that all companies within the group are 100% owned and the consolidated financial statements of the parent company are publicly available.