

Penta Watford Limited
(Registered Number: 1794529)

Annual Report and Accounts

For the year ended 31 December 2001



Suite 3, Rushmoor Court
Croxley Business Park
Hatters Lane
Watford
Hertfordshire WD18 8PY

Penta Watford Limited

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2001.

Principal activities

The Company did not trade during the year or in the prior year. There were no discontinued activities.

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.

Results and dividends

The company did not trade during the year, therefore no profit and loss account has been prepared. There were no dividends paid throughout the year (2000: nil) and the directors do not recommend the payment of a final dividend (2000: nil).

Directors and their interests

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

D Green
M Wheatley

No director had any interest in the shares of the Company or its intermediate parent undertaking at either 1 January 2001 or 31 December 2001.

The table below shows the interests, other than options, including family interests, in the ordinary shares of Inchcape plc, the ultimate parent undertaking, of the persons who were directors at 31 December 2001.

	Ordinary shares of 150p each	
	31 December 2001	1 January 2001
D Green	54	54

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Directors' Report (Continued)

Director's share options

	Held at 31.12.00	Granted during the year	Lapsed, cancelled or waived during the year	Held at 1.1.00 (or date of appointment)	Exercise price (c)	When exercisable
D Green	238 (b)	-	-	238	£3.25	Dec 2002 - Jun 2003
	488 (b)	-	-	488	£2.38	Nov 2003 - May 2004
	251 (b)	251 (b)	-	-	£3.08	Jun 2004 - Nov 2004
M Wheatley	2,577 (a)	-	-	2,577	£3.88	Sept 2002 - Sept 2009
	7,042 (a)	-	-	7,042	£2.84	Aug 2003 - Aug 2010
	5,208 (a)	5,208 (a)	-	-	£3.84	Mar 2004 - Mar 2011

(a) Under the Inchcape 1999 Share Option Plan.

(b) Under the Inchcape SAYE Share Option Scheme.

(c) Exercise prices are determined in accordance with the Rules of the relevant Share Option Scheme.

No options under any of the Company's share option schemes were exercised during the year. All options were granted for nil consideration.

Notes on share options

The table above shows Directors' options over ordinary shares of 150p at 1 January 2001 and 31 December 2001. The mid-market price of shares of 150p each at 31 December 2001 was £6.06p. The price range during 2001 was £2.75p to £6.15p.

Options under the 1999 Plan are granted on a discretionary basis to full time senior executives based within, and outside, the UK including executive directors of Inchcape plc. Such options are exercisable between three and ten years of grant.

The Inchcape SAYE Share Option Scheme is open to employees with at least three months service.

Transactions with Directors

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 1985 was outstanding at 31 December 2001, or occurred during the year for any Director (2000: none).

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Directors' Report (continued)

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Under the provisions of Section 249AA(1) of the Companies Act 1985, the Directors have taken advantage of the exemption available not to appoint Auditors while the Company remains dormant.

By order of the board


D Green
Secretary

Date: 14 May 2002

Penta Watford Limited

Balance Sheet at 31 December 2001

	Note	2001 £'000	2000 £'000
Creditors – Amounts falling due within one year	3	(459)	(459)
Net current liabilities		(459)	(459)
Net liabilities		(459)	(459)
Capital and reserves			
Called up share capital	4	350	350
Share premium account		23	23
Profit and loss account		(832)	(832)
Equity shareholders' funds		(459)	(459)

For the year ended 31 December 2001 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 4 to 6 were approved by the Board of directors on the 14th day of May 2002 and were signed on its behalf by:



Director

Penta Watford Limited

Notes to the Accounts For the Year Ended 31 December 2001

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The principal accounting policies of the company are described below.

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

Changes in accounting policies FRS 18 has been adopted in the current year but this did not require any change in accounting policy.

2 Directors' emoluments and employee information

The Company has no employees and hence has no salary, social security or pension costs. As in 2000, remuneration to the Company's directors for services to the Company is paid for and borne by other group companies.

3 Creditors - Amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to group companies	459	459

4 Called up share capital

	2001 £'000	2000 £'000
Authorised		
350,000 ordinary shares of 100p each	350	350
Allotted, called up and fully paid		
350,000 ordinary shares of 100p each	350	350

5 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 Accounts for the year ended 31 December 2001.

Penta Watford Limited

Notes to the Accounts For the Year Ended 31 December 2001

6 Related party transactions

The Company's ultimate parent undertaking is Inchcape plc and it has applied the exemption in paragraph 3(c) of Financial Reporting Standard 8 ("FRS 8") "Related Party Disclosures". This exemption permits the non-disclosure of transactions and balances with related parties that are included in the financial statements of Inchcape plc. The directors consider that there are no other relationships, transactions or balances that are required to be disclosed by FRS 8.

7 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 Secretary at the Company's registered office, 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.