

# **Penta Watford Limited**

(Registered Number: 1794529)

## **Annual Report and Accounts**

**For the year ended 31 December 2005**



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 un-audited financial statements of the company for the year ended 31 December 2005.

### **Principal activities**

The company did not trade during the year.

### **Review of business and future developments**

The company did not trade during the year and it is not envisaged that it will 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 (2004: £nil). The directors do not recommend the payment of a final dividend (2004: £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 2005 or 31 December 2005.

The table below shows the beneficial interests, other than share options, including family interests, on the dates indicated, in the ordinary shares of 150.0p each of Inchcape plc, the ultimate parent undertaking, of the persons who were directors at 31 December 2005.

	<b>Ordinary shares of 150.0p each</b>	
	<b>31 December 2005</b>	<b>1 January 2005</b>
M P Wheatley	668	1,528

### **Directors' share options**

Details of share options held by directors, including those held under the Inchcape 1999 Share Option Plan and the Inchcape SAYE Share Option Scheme, are shown on page 2.

# Penta Watford Limited

## Directors' Report (continued)

### Directors' share options (continued)

	Held at 31.12.05	Granted during the year	Exercised/ lapsed during the year	Held at 1.1.05	Exercise price (c)	Exercisable between
A C Jeary	-	-	729 (a)	729 (a)	685.0p	Mar 2005 – Mar 2012
	-	-	171 (b)	171 (b)	554.0p	Jun 2005 – Dec 2005
	656 (a)	-	-	656 (a)	762.0p	Mar 2006 – Mar 2013
	154 (b)	-	-	154 (b)	610.0p	Jun 2006 – Dec 2006
	160 (b)	-	-	160 (b)	1171.0p	Jun 2007 – Dec 2007
	636 (a)	-	-	636 (a)	1572.0p	May 2007 – May 2014
	141 (b)	-	-	141 (b)	1336.0p	Nov 2007 – May 2008
	57 (b)	57 (b)	-	-	1645.0p	Jun 2008 – Nov 2008
	111 (b)	111 (b)	-	-	1695.0p	Nov 2008 – Apr 2009
	486 (a)	486 (a)	-	-	2056.0p	Mar 2008 – Mar 2015
M P Wheatley	-	-	2,919 (a)	2,919 (a)	685.0p	Mar 2005 – Mar 2012
	-	-	1,371 (b)	1,371 (b)	554.0p	Jun 2005 – Dec 2005
	2,099 (a)	-	-	2,099 (a)	762.0p	Mar 2006 – Mar 2013
	309 (b)	-	-	309 (b)	610.0p	Jun 2006 – Dec 2006
	2,862 (a)	-	-	2,862 (a)	1572.0p	May 2007 – May 2014
	460 (b)	460 (b)	-	-	1645.0p	Jun 2008 – Nov 2008
	2,188 (a)	2,188 (a)	-	-	2056.0p	Mar 2008 – Mar 2015

(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.

### Notes on share options

(i) All options were granted for nil consideration.

(ii) The table shows directors' options over ordinary shares of 150.0p each of Inchcape plc at 1 January 2005 and 31 December 2005. The mid market price of the shares at the close of business on 31 December 2005 was 2281.0p. The price range during 2005 was 1759.0p to 2442.0p.

(iii) Options under the Inchcape 1999 Share Option Plan are granted on a discretionary basis to certain other full time senior executives based within and outside the UK including the Executive Directors of Inchcape plc. Such options are normally exercisable between three and ten years of grant.

(iv) Options may normally only be exercised if the performance target has been met. For all options granted in 1999, 2000, 2001, 2002 and 2003 under the Inchcape 1999 Share Option Plan, growth in Inchcape plc's earnings per share over a three year period must exceed the increase in the UK Retail Price Index ("RPI") over the same period by 3.0% per annum. Options granted after the 2004 AGM vest according to a sliding scale: 25.0% of the option will vest if EPS growth of RPI +3.0% per annum is achieved over the initial three year period, with all of the option vesting if EPS growth is RPI +8.0% per annum or greater. Options will vest on a straight line basis between these points and there is no opportunity to retest.

(v) The Inchcape SAYE Share Option Scheme is open to employees in the UK with at least three months service. Participants make monthly savings for a three year period. At the end of the savings period options become exercisable within a six month period.

## **Penta Watford Limited**

### **Directors' Report (continued)**

#### **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 2005, or occurred during the year for any director (2004: none).

#### **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

A handwritten signature in black ink, appearing to be 'A C Jeary', written over a horizontal line.

**A C Jeary**  
Secretary

*23 October* 2006

## **Penta Watford Limited**

### **Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. 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;
- reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005;
- applicable accounting standards have been followed and applied consistently;

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.

# Penta Watford Limited

## Balance Sheet at 31 December 2005

	Note	2005 £'000	2004 £'000
<b>Creditors – amounts falling due after more than one year</b>	<b>3</b>	<b>(459)</b>	<b>(459)</b>
<b>Net liabilities</b>		<b>(459)</b>	<b>(459)</b>
<b>Capital and reserves</b>			
Called up share capital	<b>4</b>	<b>350</b>	<b>350</b>
Share premium account		<b>23</b>	<b>23</b>
Profit and loss account		<b>(832)</b>	<b>(832)</b>
<b>Equity shareholders' funds</b>		<b>(459)</b>	<b>(459)</b>

For the year ended 31 December 2005 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 5 to 7 were approved by the Board of Directors on 23/5/2006 and were signed on its behalf by:

  
**M P Wheatley**  
Director

# Penta Watford Limited

## Notes to the Accounts For the Year Ended 31 December 2005

### 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.

### 2. Directors' emoluments and employee information

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).

### 3. Creditors - amounts falling due after more than one year

	2005 £'000	2004 £'000
Amounts owed to group companies	459	459

### 4. Share capital

	2005 £'000	2004 £'000
<b>Authorised</b>		
350,000 ordinary shares of 100.0p each	350	350
<b>Allotted, called up and fully paid</b>		
350,000 ordinary shares of 100.0p 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 2005.

### 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.

## **Penta Watford Limited**

### **Notes to the Accounts For the Year Ended 31 December 2005 (continued)**

**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 Inchape 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.