

Penta Watford Limited
(Company Number 1794529)

Annual Report and Accounts

For the year ended 31 December 1999



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 1999.

Principal activities, business review and future developments

The Company did not trade during the year, and therefore a profit and loss account has not been prepared. It is not envisaged that there will be any change in the Company's activities.

Dividends

The directors do not recommend the payment of a dividend (1998: nil).

Directors

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

D Green
J James (resigned 1 March 1999)
M Wheatley (appointed 1 March 1999)

Directors' Interests

No director had any interests in the shares of the Company (or any of its subsidiaries or intermediate parent undertaking) at either 1 January 1999 or 31 December 1999.

The table below shows the interests in the ordinary shares of Inchcape plc, the ultimate parent undertaking, of the persons who were directors at 31 December 1999.

	31 December 1999 150p shares	12 July 1999 (a) (or date of appointment) 150p shares	1 January 1999 (or date of appointment) 25p shares
D Green	54	54	324
M Wheatley	-	-	-

- (a) Interests held after the share consolidation on 12 July 1999. One new consolidated share with a nominal value of 150p was issued in replacement of every six ordinary shares with a nominal value of 25p each.

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Report of the Directors (Continued)

Directors' share options

Executive options (a)	31 December 1999	Granted	Waived	1 January 1999 (or date of appointment)
	(options over shares of 150p each)	(over shares of 150p each)	(over shares of 150p each)	(options over shares of 25p each)
D Green	-	-	-	-
M Wheatley	2,577	2,577	-	-

SAYE options (b)	31 December 1999	Granted	1 January 1999 (or date of appointment)
	(options over shares of 150p each)	(over shares of 150p each)	(options over shares of 25p each)
D Green	295	238	345
M Wheatley	-	-	-

(a) Under the Inchcape Executive Share Option Scheme, Inchcape International Executive Share Option Scheme, and Inchcape 1999 Share Option Plan.

(b) Under the Inchcape SAYE Share Option Scheme.

No options were exercised during the year.

Notes on share options

The table shows Directors' options over ordinary shares of 25p at 1 January 1999 and over ordinary shares of 150p at 31 December 1999. The mid-market price of shares of 150p each at 31 December 1999 was £2.75. The price range during 1999 was £0.595 (25p shares) to £4.08 (150p shares).

Options under the Inchcape Executive Share Option Scheme, the Inchcape International Executive Share Option Scheme and Long Term Incentive Plan have been waived as a pre-condition of receiving options under the Inchcape 1999 Share Option Plan. 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.

Year 2000

Business critical systems continued to operate effectively and no significant disruption to the Company occurred as a result of the Year 2000. No expenditure has been incurred during the year (1998: nil).

Penta Watford Limited

Report of the Directors (Continued)

EMU

There were no significant costs incurred during the year relating to the introduction of the EMU on 1 January 1999. The introduction has not had a material effect on the operation of the business.

Creditor payment policy

The Company is responsible for agreeing the terms and conditions under which business transactions with its suppliers are conducted. In line with Inchcape group policy, payments to suppliers are made in accordance with these terms, provided the supplier is also complying with all the relevant terms and conditions.

Elective Resolutions

Elective Resolutions, passed by the members, remain in force.

Auditors

The Company has taken advantage of the provisions of Section 250 of the Companies Act 1995, and resolved not to appoint auditors.

By order of the Board



D S Green
Secretary

Date: 14 August 2000

Penta Watford Limited

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.

Penta Watford Limited

Balance Sheet At 31 December 1999

	Note	1999 £'000	1998 £'000
Current liabilities			
Creditors: amount falling due within one year	3	(459)	(459)
Capital and reserves			
Called up share capital	4	350	350
Share premium account	5	23	23
Profit and loss account	5	(832)	(832)
Shareholders' funds	6	(459)	(459)

The Company was dormant within the meaning of Section 250, Companies Act 1985, throughout the accounting period ending at the date of this Balance Sheet.

The financial statements on pages 5 to 8 were approved by the board of directors on 14 August 2000 and were signed on its behalf by:



Director

Penta Watford Limited

Notes to the Financial Statements For the year ended 31 December 1999

1 Accounting policies

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

(a) Accounting convention

The financial statements have been prepared on the historical cost basis.

(b) Group accounts

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

2 Directors' emoluments and employee information

The directors are the sole employees of the company (as in 1998). None of the directors received or waived any emoluments in respect of their services to the company during the year ended 31 December 1999 (1998: nil).

3 Creditors: amounts falling due within one year

	1999 £000	1998 £000
Amounts owed to group undertaking	459	459

4 Called up share capital

	1999 £'000	1998 £'000
Authorised		
350,000 ordinary shares of £1 each	350	350
Allotted and fully paid		
350,000 ordinary shares of £1 each	350	350

Penta Watford Limited

Notes to the Financial Statements For the year ended 31 December 1999

5 Reserves

	Share premium account £'000	Profit and loss account £'000
Balance at 1st January, 1999	23	(832)
Retained profit for the year	-	-
Balance at 31st December, 1999	23	(832)

6 Reconciliation of movements in shareholders' funds

	1999 £'000	1998 £'000
Profit for the financial year	-	-
Dividends	-	-
Net increase in shareholders' funds	-	-
Opening shareholders' funds	(459)	(459)
Closing shareholders' funds	(459)	(459)

7 Cash flow statement

A cash flow statement is not required as Inchcape plc, the Company's ultimate parent undertaking, has complied with FRS 1 (revised 1996) by including a consolidated cash flow statement in its consolidated financial statements for the year ended 31 December 1999.

8 Related party transactions

The Company's ultimate parent undertaking is Inchcape plc and has applied the exemption in paragraph 3(c) of FRS 8. This exemption permits the non-disclosure of transactions and balances with related parties that are included in the financial statements or balances which are required to be disclosed by FRS 8.

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Notes to the Financial Statements For the year ended 31 December 1999

9 Ultimate parent undertaking

The immediate parent undertaking is Inchcape Motors International Limited.

The Company's ultimate parent undertaking is Inchcape plc, a public company incorporated in England and Wales. Copies of Inchcape's plc's consolidated financial statements may be obtained from the Secretary at the Company's registered office, 33 Cavendish Square, London W1M 9HF. The parent undertaking, which heads the smallest and largest groups for which consolidated financial statements are prepared is Inchcape plc.