

CD BRAMALL BLACKPOOL LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

Registered Number : 1994002



CD BRAMALL BLACKPOOL LIMITED

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CD BRAMALL BLACKPOOL LIMITED

1

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2004.

RESULTS AND DIVIDENDS

The results and proposed transfer to reserves for the year are shown in the profit and loss account on page 3. The directors do not recommend the payment of a dividend (2003 : £108,000).

REVIEW OF ACTIVITIES

The company's principal activity during the year was the sale and service of motor vehicles.

During the year, Pendragon PLC acquired the whole of the issued share capital of CD Bramall Plc.

DIRECTORS

The directors during the year were as follows:

D C A Bramall	(resigned 26 February 2004)
J Holroyd	(resigned 26 February 2004)
R Gregson	(resigned 26 February 2004)
T G Finn	(appointed 26 February 2004)
D R Forsyth	(appointed 26 February 2004)
M S Casha	(appointed 26 February 2004)
H C Sykes	(appointed 26 February 2004)

DIRECTORS' INTERESTS

None of the directors had any interest in the share capital of the company (2003 : none). The interests of the directors in the share capital of the ultimate parent company are shown in the financial statements of that company.

During the year none of the directors had a material interest in any contract of significance in relation to the company's activities (2003 : none).

EMPLOYMENT OF DISABLED PERSONS

The company recognises its responsibilities in employing and training disabled persons. If any employee becomes disabled it is standard practice, in all but the most extreme circumstances, to offer an alternative job and provide retraining where necessary.

EMPLOYEE INVOLVEMENT

Regular contact and exchanges of information are maintained to keep employees informed of the progress of the business.

PAYMENTS TO SUPPLIERS

The company's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms (provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions). The company does not follow any code or standard on payment practice.

The number of days' purchases outstanding for payment by the company at 31 December 2004 was 11 days (2003 : 30 days).

AUDITORS

A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board


H C Sykes
Secretary

Loxley House
Little Oak Drive
Annesley
Nottinghamshire
17 February 2005

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CD BRAMALL BLACKPOOL LIMITED

We have audited the financial statements on pages 3 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Birmingham
Chartered Accountants
Registered Auditor

17 February 2005

PROFIT AND LOSS ACCOUNT**YEAR ENDED 31 DECEMBER 2004**

Note		2004 £000	2003 £000
2	TURNOVER	16,199	14,714
3	Cost of sales	(14,369)	(12,673)
	GROSS PROFIT	1,830	2,041
3	Net operating expenses	(1,403)	(1,696)
4	OPERATING PROFIT	427	345
6	Interest payable	(78)	(99)
	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	349	246
7	Taxation	(86)	(84)
	PROFIT ON ORDINARY ACTIVITIES BEING PROFIT FOR THE FINANCIAL YEAR	263	162
8	Dividends	-	(108)
16	RETAINED PROFIT FOR THE FINANCIAL YEAR	263	54

All amounts relate to continuing operations.

Movements in reserves are shown in note 16.

The notes on pages 6 to 11 form part of these financial statements.

BALANCE SHEET**AT 31 DECEMBER 2004**

Note		2004 £000	2003 £000
	FIXED ASSETS		
9	Tangible assets	2,250	2,203
	CURRENT ASSETS		
10	Stocks	2,857	1,436
11	Debtors	2,731	2,387
		5,588	3,823
12	CREDITORS: amounts falling due within one year	(5,584)	(4,028)
	NET CURRENT ASSETS / (LIABILITIES)	4	(205)
	TOTAL ASSETS LESS CURRENT LIABILITIES	2,254	1,998
13	CREDITORS: amounts falling due after more than one year	-	(7)
14	Provisions for liabilities and charges	(31)	(31)
	NET ASSETS	2,223	1,960
	CAPITAL AND RESERVES		
15	Called up share capital	-	-
16	Other reserves	813	816
16	Profit and loss account	1,410	1,144
	EQUITY SHAREHOLDERS' FUNDS	2,223	1,960

Approved by the Board of Directors on 17 February 2005 and signed on its behalf by :



H C Sykes
Director

The notes on pages 6 to 11 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**YEAR ENDED 31 DECEMBER 2004**

	2004 £000	2003 £000
Profit for the financial year	263	162
Total recognised gains and losses relating to the year	263	162

NOTE ON HISTORICAL COST PROFITS AND LOSSES**YEAR ENDED 31 DECEMBER 2004**

	2004 £000	2003 £000
Reported profit on ordinary activities before taxation	349	246
Difference between historical cost depreciation and actual depreciation on property revaluation	3	16
Historical cost profit on ordinary activities before taxation	352	262
Historical cost profit on ordinary activities after taxation and dividends	266	70

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**YEAR ENDED 31 DECEMBER 2004**

	2004 £000	2003 £000
Profit for the financial year	263	162
Dividends	-	(108)
Net increase in shareholders' funds	263	54
Opening shareholders' funds	1,960	1,906
Closing shareholders' funds	2,223	1,960

The notes on pages 6 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2004****1 ACCOUNTING POLICIES**

(a) Accounting convention. The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention, modified to include the revaluation of property. The company has applied the transitional rules contained in FRS 15 'Tangible Fixed Assets' to retain previous valuations as the basis on which certain of these assets are held. The financial statements have been prepared on a going concern basis.

(b) Turnover. Turnover represents sales invoiced to third parties exclusive of value added tax. Consideration received from customers is only recorded as turnover when the company has performed its obligation in respect of that consideration.

(c) Tangible fixed assets and depreciation. Freehold land is not depreciated. Depreciation is provided to write off the cost or revaluation less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic life as follows:

Freehold buildings - 2% per annum
Plant and equipment - 10 to 33% per annum
Motor vehicles - 20 to 25% per annum

(d) Stocks.

(i) Motor vehicles and parts stocks are stated at the lower of cost and net realisable value.

(ii) Consignment vehicles are new unregistered vehicles owned by the manufacturers, mainly located at the company's premises, and insured by the company. New consignment vehicles in respect of which finance charges are levied are regarded as being effectively under the control of the company and, in accordance with Financial Reporting Standard No.5, are included within stocks on the balance sheet even though legal title has not yet passed to the company. The corresponding liability is included in creditors.

(e) Deferred taxation. Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date, except as follows:

(i) deferred tax is not recognised on the difference between book values and fair values of non-monetary assets arising on acquisitions unless there is a binding agreement to sell such an asset and the gain or loss expected to arise has been recognised; and
(ii) deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

(f) Cash flow statement. As a wholly owned subsidiary undertaking of Pendragon PLC, the company has relied upon the exemption in Financial Reporting Standard 1 (revised) and has not included a cash flow statement as part of these financial statements.

(g) Leases. Assets acquired under finance leases are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding. Rentals under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

(h) Related parties. Under Financial Reporting Standard 8 the company has relied upon the exemption not to disclose related party transactions with other group undertakings as they are all included in the Pendragon PLC consolidated financial statements.

2 TURNOVER

All turnover arises in the United Kingdom from the company's principal activities.

3 TURNOVER, COST OF SALES AND NET OPERATING EXPENSES

	2004 £000	2003 £000
Turnover	16,199	14,714
Cost of sales	(14,369)	(12,673)
Gross profit	1,830	2,041
Net operating expenses :		
Distribution costs	(1,001)	(1,311)
Administrative expenses	(402)	(385)
	(1,403)	(1,696)
Operating profit	427	345

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31 DECEMBER 2004

4 OPERATING PROFIT

Operating profit has been arrived at after charging :

	2004 £000	2003 £000
Depreciation of tangible fixed assets - owned	34	33
Depreciation of tangible fixed assets - leased	12	12
Auditors' remuneration - audit services	4	1

5 EMPLOYEES

The average number employed by the company in the following areas was:

	2004 Number	2003 Number
Sales	16	16
After sales	18	18
Administration	13	13
	47	47

Costs incurred in respect of these employees were :

	2004 £000	2003 £000
Wages and salaries	814	715
Social security costs	95	76
	909	791

No director of the company received any remuneration for services to the company during the year (2003 : £nil).

6 INTEREST PAYABLE

	2004 £000	2003 £000
Interest payable on loans wholly repayable within five years :		
Bank loans and overdrafts	-	27
Stocking loans	77	67
Finance lease interest	1	5
	78	99

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31 DECEMBER 2004

7 TAXATION

	2004 £000	2003 £000
UK corporation tax at 30% (2003 : 30%)		
Current tax on income for the year	110	80
Adjustments in respect of prior periods	(24)	3
	86	83
Deferred taxation		
Current year deferred taxation	1	1
Adjustments in respect of prior periods	(1)	-
	86	1,069
Payment for group relief	-	-
	86	84

Factors affecting the tax charge for the period:

The tax assessed is different than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	2004 £000	2003 £000
Profit on ordinary activities before tax	349	246
Tax on profit at UK rate of 30% (2003 : 30%)	105	74
Permanent differences:		
Accounting depreciation for which no tax relief is due	5	5
Other disallowables	1	2
Adjustments to tax charge in respect of previous periods	(24)	3
Total permanent differences	(18)	10
Deferred tax movements taken to the profit and loss account:		
Accelerated capital allowances	(1)	(1)
Other provisions	-	-
Total timing differences	(1)	(1)
Total current tax charge	86	83
Aggregate tax charges are analysed as:		
Current tax	86	83
Deferred tax	-	1
	86	84

8 DIVIDENDS

	2004 £000	2003 £000
Ordinary shares		
Ordinary dividends on equity shares - £nil (2003 : £1,077.50p) per share	-	108

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31 DECEMBER 2004

9	FIXED ASSETS - TANGIBLE ASSETS	Freehold Land & Buildings £000	Plant & Equipment £000	Motor Vehicles £000	Total £000
	Cost or valuation				
	At 31 December 2003	2,039	331	51	2,421
	Additions	68	23	2	93
	At 31 December 2004	2,107	354	53	2,514
	Depreciation				
	At 31 December 2003	17	168	33	218
	Charge for the year	20	21	5	46
	At 31 December 2004	37	189	38	264
	Net book value				
	At 31 December 2004	2,070	165	15	2,250
	At 31 December 2003	2,022	163	18	2,203
	Leased assets included in the above:				
	Net book value				
	At 31 December 2004	-	-	-	-
	At 31 December 2003	-	-	12	12
	Historical cost of freehold land and buildings held at valuation:				
	Cost		988		988
	Depreciation		(47)		(44)
			941		944
	Analysis of freehold land and buildings at net book value				
	At valuation (open market value of freehold property as at 30 April 1990)		1,494		1,500
	At cost		576		522
			2,070		2,022

The freehold property was valued on 30 April 1990 at £1,500,000, subsequent additions are stated at cost.

Freehold land and buildings includes land not depreciated of £1,175,000 (2003 : £1,175,000).

Future capital expenditure which has been contracted for but not yet provided in the financial statements amounted to £nil (2003 : £nil).

10	STOCKS	2004 £000	2003 £000
	New and used vehicles	581	1,239
	Consignment vehicles	2,194	143
	Vehicle parts and other stocks	82	54
		2,857	1,436
11	DEBTORS	2004 £000	2003 £000
	Trade debtors	399	184
	Amounts owed by group undertakings	1,997	1,876
	Other debtors	306	70
	Prepayments	29	257
		2,731	2,387

All amounts are due within one year.

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31 DECEMBER 2004

12 CREDITORS : amounts falling due within one year

	2004 £000	2003 £000
Bank overdraft	2,659	2,374
Obligations under finance leases	-	5
Payments received on account	18	-
Trade creditors	464	1,352
Amounts owed to group undertakings	16	-
Consignment vehicle liabilities	2,194	-
Dividends	-	78
UK corporation tax	95	66
Other taxation and social security	93	-
Accruals and deferred income	45	153
	5,584	4,028

13 CREDITORS : amounts falling due after more than one year

	2004 £000	2003 £000
Obligations under finance leases	-	7

14 PROVISIONS FOR LIABILITIES AND CHARGES

The movement in the provision for deferred taxation in the year is as follows:

	Deferred Tax £000
At 31 December 2003	31
Profit and loss account	-
At 31 December 2004	31

The amounts of deferred tax provided in the financial statements are as follows:

	2004 £000	2003 £000
Fixed asset timing differences	31	31

15 CALLED UP SHARE CAPITAL

	2004 £000	2003 £000
Authorised :		
1,000 (2003 : 1,000) ordinary shares of £1 each	1	1
Allotted, called up and fully paid :		
100 (2003 : 100) ordinary shares of £1 each	-	-

16 RESERVES

	Revaluation reserve £000	Profit and Loss Account £000
At 31 December 2003	816	1,144
Retained profit	-	263
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(3)	3
At 31 December 2004	813	1,410

NOTES TO THE FINANCIAL STATEMENTS continued

YEAR ENDED 31 DECEMBER 2004

17 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH COMPANY IS A MEMBER

The company's ultimate parent company is Pendragon PLC which is incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Pendragon PLC. Financial statements of Pendragon PLC for the year ended 31 December 2004 are available from the Company Secretary, Pendragon PLC Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.

18 CONTINGENT LIABILITIES

The company is party to a group arrangement with its bankers whereby any in-hand balance may be applied against the overdraft of other group companies. As at 31 December 2004 the cash at bank and in hand was £nil (2003 : £nil).