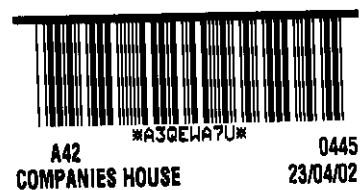


**LINDBROOK LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2001**



# LINDBROOK LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 December 2001

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Company no:	03344494
Registered office:	120 Ber Street Norwich Norfolk NR1 3ES
Directors:	GM Dacre BK Fawcett
Secretary:	GM Dacre
Bankers:	Bank of Scotland 3 Queen Street Norwich Norfolk NR2 4SG
Solicitors:	Leathes Prior 74 The Close Norwich Norfolk NR1 4DR
Auditors:	Grant Thornton Registered Auditors Chartered Accountants Holland Court The Close Norwich Norfolk NR1 4DY

# **LINDBROOK LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2001

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# LINDBROOK LIMITED

## REPORT OF THE DIRECTORS

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

### Directors

The directors who served during the year and their interests in the issued share capital of the company at the beginning and end of year, were as follows:

	Ordinary shares of £1 each	
	31 December 2001	1 January 2001
GM Dacre	-	-
BK Fawcett	-	-

The interests of the directors in the ultimate parent undertaking are shown in the financial statements of that company.

### Principal activity

The principal activity of the company continued to be that of motor dealership.

### Business review

The results for the year are set out on page 5.

The retained profit for the year of £1,043 (2000: £28,699) has been taken to reserves. The directors recommend the payment of a final dividend of £225,000 (2000: £400,000).

The directors are satisfied with the results of the company during the year and look forward to increased profitability in the future.

During the year the company purchased a Volkswagen dealership in Southend.

### Directors' responsibilities for the financial statements

United Kingdom 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# LINDBROOK LIMITED

## REPORT OF THE DIRECTORS

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### Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Grant Thornton, will be deemed to be re-appointed for each succeeding financial year.

BY ORDER OF THE BOARD

  
GM Dacre  
Director  
9 April 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
LINDBROOK LIMITED**

We have audited the financial statements of Lindbrook Limited for the year ended 31 December 2001 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes 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 the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

NORWICH  
9 April 2002

# **LINDBROOK LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards.

There is no requirement under FRS 1 to prepare a cash flow statement on the basis that the company is a wholly owned subsidiary of Lindacre Limited and the consolidated financial statements of Lindacre Limited include a consolidated cash flow statement.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

### **TURNOVER**

The turnover for the year is attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services.

### **DEPRECIATION**

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 their expected useful lives. The rates generally applicable are:

Freehold buildings	50 years
Computer equipment	3 years
Plant and machinery	5 – 10 years
Fixtures, fittings and equipment	5 years
Motor vehicles	3 – 5 years

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **STOCK**

Stocks are valued at the lower of cost and net realisable value.

Under supply agreements with Porsche and Audi, the company has access to 'consignment stock'. Where the nature of the supply agreements does not provide risks and rewards to the company until such time as legal title actually passes, these stocks are not included in the balance sheet.

### **PENSIONS**

The company contributes to a group personal pension plan for individuals and the contributions are accounted for in the period to which they relate.

### **DEFERRED TAXATION**

Deferred tax is provided for using the rates estimated to arise when timing differences reverse and is accounted for to the extent that it is possible that a liability or asset will crystallise.

### **RELATED PARTY TRANSACTION**

The company has taken advantage of the exemptions available under FRS 8 whereby subsidiary undertakings do not have to disclose intra group transactions if 90% or more of their shares are controlled within the group.

**LINDBROOK LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover	1	34,387,878	28,612,469
Cost of sales		(30,646,428)	(25,652,188)
Gross profit		3,741,450	2,960,281
Administrative expenses		(3,151,461)	(2,117,462)
Operating profit	2	589,989	842,819
Interest payable and similar charges	3	(270,583)	(224,443)
Profit on ordinary activities before taxation		319,406	618,376
Tax on profit on ordinary activities	5	(93,363)	(189,677)
Profit on ordinary activities after taxation		226,043	428,699
Dividends		(225,000)	(400,000)
Retained profit for the year	14	£1,043	£28,699

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

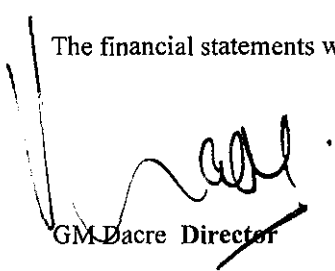
The accompanying accounting policies and notes form an integral part of these financial statements.

# LINDBROOK LIMITED

## BALANCE SHEET AT 31 DECEMBER 2001

	Note	2001	2000
		£	£
<b>Fixed assets</b>			
Tangible assets	7	2,114,239	1,958,376
<b>Current assets</b>			
Stocks	8	2,688,931	2,176,319
Debtors	9	1,222,349	1,085,888
Cash at bank and in hand		163,381	648
		<u>4,074,661</u>	<u>3,262,855</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,921,949)</u>	<u>(3,323,388)</u>
<b>Net current assets/(liabilities)</b>		<u>152,712</u>	<u>(60,533)</u>
<b>Total assets less current liabilities</b>		<u>2,266,951</u>	<u>1,897,843</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(1,898,869)</u>	<u>(1,529,826)</u>
<b>Provisions for liabilities and charges</b>	12	<u>(48,351)</u>	<u>(49,329)</u>
<b>Net assets</b>		<u><u>£319,731</u></u>	<u><u>£318,688</u></u>
<b>Capital and reserves</b>			
Share capital	13	250,000	250,000
Profit and loss account	14	69,731	68,688
<b>Equity shareholders' funds</b>	15	<u><u>£319,731</u></u>	<u><u>£318,688</u></u>

The financial statements were approved by the board of directors on 9 April 2002.

  
GM Dacre Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

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### 1 TURNOVER

The turnover for the year is attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services wholly undertaken in the United Kingdom.

### 2 OPERATING PROFIT

Operating profit is stated after charging:

	2001 £	2000 £
Depreciation of tangible assets	166,058	120,252
Depreciation of assets held under purchase contracts	13,060	12,793
Operating lease rentals - plant and machinery	1,387	7,293
- other	102,830	37,000
Auditors' remuneration	8,450	7,500
	<hr/>	<hr/>

### 3 INTEREST PAYABLE

	2001 £	2000 £
On bank loans and overdrafts	23,778	14,685
On other loans wholly repayable within 5 years	77,379	81,052
Other charges	169,426	128,706
	<hr/>	<hr/>
	£270,583	£224,443
	<hr/>	<hr/>

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	1,765,989	1,172,311
Social security costs	163,847	110,623
Other pension costs	37,059	22,029
	<u>£1,966,895</u>	<u>£1,304,963</u>

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Mechanical	22	15
Sales and distribution	15	12
Administration	46	41
	<u>83</u>	<u>68</u>

The directors received no emoluments from the company during the year (2000: £Nil).

### 5 TAXATION

	2001 £	2000 £
<b>UK current year taxation</b>		
UK corporation tax at 30% (2000: 30%)	98,019	187,158
Over provision in respect of previous year	(3,678)	-
Deferred taxation	(978)	2,519
	<u>£93,363</u>	<u>£189,677</u>

### 6 DIVIDENDS

	2001	2000
Ordinary final proposed	<u>£225,000</u>	<u>£400,000</u>

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2001	1,414,863	199,528	543,187	50,253	2,207,831
Additions	32,429	82,853	211,022	8,677	334,981
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	1,447,292	282,381	754,209	58,930	2,542,812
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2001	4,129	51,249	163,468	30,609	249,455
Charge for the year	7,568	32,737	121,560	17,253	179,118
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	11,697	83,986	285,028	47,862	428,573
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2001	<b>£1,435,595</b>	<b>£198,395</b>	<b>£469,181</b>	<b>£11,068</b>	<b>£2,114,239</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2000	£1,410,734	£148,279	£379,719	£19,644	£1,958,376
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The non-depreciable amount of land included above amounts to £162,000.

Included in motor vehicles is an asset being purchased under a finance lease agreement with a net book value of £3,742 (2000: £16,802). The depreciation charge for the year on this asset was £13,060 (2000: £12,793).

### 8 STOCKS

	2001 £	2000 £
Raw materials and consumables	10,979	13,511
Finished goods and goods for resale	2,677,952	2,162,808
	<hr/>	<hr/>
	<b>£2,688,931</b>	<b>£2,176,319</b>
	<hr/>	<hr/>

£1,978,913 (2000: £1,182,953) of consignment stock has been excluded from the total stock figure.

**LINDBROOK LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2001

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**9 DEBTORS**

	2001	2000
	£	£
Trade debtors	611,559	653,582
Other debtors	136,224	62,043
Prepayments and accrued income	474,566	370,263
	<hr/>	<hr/>
	<b>£1,222,349</b>	<b>£1,085,888</b>
	<hr/>	<hr/>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001	2000
	£	£
Mortgage loans	125,000	125,000
Bank loans and overdrafts	-	266,555
Payments received on account	223,000	157,765
Net obligations under hire purchase contracts	6,348	5,988
Trade creditors	805,147	623,618
Amounts owed to group undertakings	600,000	678,639
Corporation tax	32,019	187,158
Other taxes and social security costs	440,021	105,154
Other creditors	1,399,919	995,639
Accruals and deferred income	290,495	177,872
	<hr/>	<hr/>
	<b>£3,921,949</b>	<b>£3,323,388</b>
	<hr/>	<hr/>

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Mortgage loan	881,250	1,006,250
Net obligations under hire purchase contracts	17,619	23,576
Amounts owed to group undertaking	1,000,000	500,000
	<u>£1,898,869</u>	<u>£1,529,826</u>
<b>Loan maturity analysis</b>		
In one year or less	125,000	125,000
Between one and two years	125,000	125,000
Between two and five years	375,000	375,000
In five years or more	381,250	506,250
	<u>                    </u>	<u>                    </u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	6,348	5,988
Repayable between one and five years	17,619	23,576
	<u>£23,967</u>	<u>£29,564</u>

The mortgage loan bears interest at 1.5% over Bank of Scotland PLC base rate and is secured by a fixed charge over the land and buildings. It is repayable at £125,000 per annum.

The amount owed to a group undertaking of £1,000,000 (2000: £500,000) is in respect of a loan due to Lindacre Limited, the ultimate parent company. The loan shall not fall due for repayment until the company has generated profits out of which it can lawfully make a distribution or has otherwise surplus liability available. The loan is interest free until the lender demands repayment, at which point interest is charged at 1.5% above bank base rate.

Obligations under finance leases are secured on the asset acquired.

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance at 1 January 2001	49,329
Profit and loss account	(978)
	<hr/>
Balance at 31 December 2001	<b>£48,351</b>
	<hr/>

Deferred tax is provided at 30% (2000: 30%) analysed over the following timing differences:

	Fully provided	
	2001	2000
Accelerated capital allowances	<b>£48,351</b>	£49,329
	<hr/>	<hr/>

### 13 SHARE CAPITAL

	2001	2000
Authorised 250,000 ordinary shares of £1 each	<b>£250,000</b>	£250,000
	<hr/>	<hr/>
Allotted, called up and fully paid 250,000 ordinary shares of £1 each	<b>£250,000</b>	£250,000
	<hr/>	<hr/>

### 14 STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
Balance at 1 January 2001	68,688
Retained profit for the year	1,043
	<hr/>
Balance at 31 December 2001	<b>£69,731</b>
	<hr/>

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	226,043	428,699
Dividends	(225,000)	(400,000)
Net addition to shareholders' funds	1,043	28,699
Opening shareholders' funds	318,688	289,989
Closing shareholders' funds	£319,731	£318,688

### 16 PENSION COSTS

The company contributes to a group personal pension plan for individuals. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £37,059 (2000: £22,029).

### 17 LEASING COMMITMENTS

At 31 December 2001 the company was committed to making the following annual payments under non-cancellable operating leases:

	Land and buildings	
	2001	2000
Operating leases which expire Between two and five years	£87,000	£37,000

### 18 CONTINGENT LIABILITY

There is a joint and several liability under a group VAT registration. The total liability at 31 December 2001 was £592,066.

### 19 CAPITAL COMMITMENTS

At 31 December 2001 the company was committed to payments in respect of the purchase of new property amounting to £1,000,000.

# LINDBROOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

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### 20 TRANSACTIONS WITH RELATED PARTIES

The company is controlled by Mr GM Dacre, who has a controlling interest in the share capital of the ultimate parent undertaking, Lindacre Limited.

Mr GM Dacre also has a controlling interest in another company, Lind Limited. During the year Lindbrook Limited made purchases and sales with Lind Limited and Mr GM Dacre as follows:

	2001		2000	
	Sales £	Purchases £	Sales £	Purchases £
GM Dacre	-	-	183,480	202,144
Lind Limited	269,400	296,600	244,050	90,800
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

During the year the company also incurred management charges from Lind Limited of £126,000 (2000: £111,000).

### 21 ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Lindacre Limited, a company registered in England and Wales.