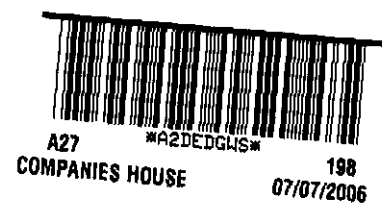


LINDBROOK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2005



LINDBROOK LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

Company no: 03344494

Registered office: Forest Way
Dereham Road
Costessey
Norwich
Norfolk
NR5 0JH

Directors: G M Dacre
B K Fawcett

Secretary: G M Dacre

Bankers: Bank of Scotland
Third Floor
24 Hills Road
Cambridge
CB2 1JW

Auditor: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Holland Court
The Close
Norwich
Norfolk
NR1 4DY

LINDBROOK LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

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LINDBROOK LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Principal activity

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

Business review

The company operates Audi and Volkswagen franchises in the South East of England.

The results for the year are set out on page 7.

The loss for the year of £704,836 (2004: £323,376) has been taken to reserves. The directors do not recommend the payment of a dividend.

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 2005	1 January 2005
G M Dacre	-	-
B K Fawcett	-	-

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

Employment matters

Application for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their potential aptitudes and abilities.

In the event of employees becoming disabled, every effort is given to retain them in order that their employment may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Subsequent Event

On 1 January 2006 the net assets and trade of the four Volkswagen franchises operating in Chelmsford, Colchester, Romford and Southend, were transferred to Lindvale 2 Limited (formerly Lindmere Limited), a fellow subsidiary undertaking, as part of a group restructuring plan. Accordingly the profit and loss account for this company presents the results of this part of the business as discontinued activities.

LINDBROOK LIMITED

REPORT OF THE DIRECTORS

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:

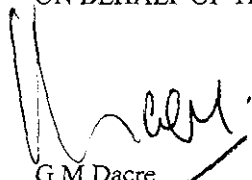
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the 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 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.

Auditor

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

ON BEHALF OF THE BOARD



G M Dacre

Director

28 April 2006

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF LINDBROOK LIMITED

We have audited the financial statements of Lindbrook Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 report of the directors 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 the report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

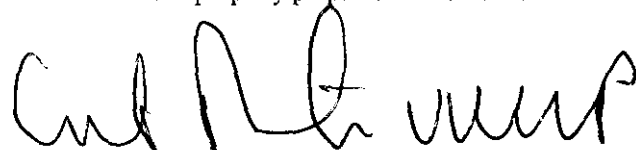
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

NORWICH
28 April 2006

LINDBROOK LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention.

There is no requirement under Financial Reporting Standard 1 to prepare a cash flow statement on the basis that the company is a wholly owned subsidiary of Lind Automotive Group Holdings Limited and the group's consolidated financial statements include a cash flow statement.

Acquisitions are accounted for under the acquisition method.

CHANGES IN ACCOUNTING POLICIES

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

- FRS 21 (IAS 10) 'Events after the Balance Sheet date'; and
- FRS 25 (IAS 32) 'Financial Instruments: Disclosure and Presentation'.

FRS 21 (IAS 10) 'Events after the Balance Sheet date'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has had no impact on the company results for the current year and has not resulted in a prior year adjustment for the company as no dividends were paid or proposed in either the current or preceding year.

FRS 25 (IAS 32) 'Financial Instruments: Disclosure and Presentation'

The adoption of FRS 25 has resulted in a change of accounting policy in respect of the disclosure and presentation of financial instruments. The details of the new accounting policies are given in the section entitled 'Financial instruments' below.

This change in accounting policy has had no impact on the company results for the current year and has not resulted in a prior year adjustment for the company as all financial instruments held remain equity in nature in the current and preceding years.

TURNOVER

The turnover for the year is attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services, excluding Value Added Tax and trade discounts.

INTANGIBLE FIXED ASSETS

Purchased goodwill is capitalised and amortised over its estimated useful economic life up to a maximum of 20 years. Estimated economic lives are reviewed periodically and revised if necessary.

LINDBROOK LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 useful economic lives generally applicable are:

Freehold buildings	50 years
Freehold land	Not depreciated
Leasehold land and building	Shorter of 50 years or period of the lease
Plant and machinery	5 - 10 years
Fixtures, fittings and equipment	5 years
Computer equipment	3 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.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand.

STOCKS

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

Under supply agreements with Audi and Volkswagen, the company has access to "consignment stock". Where the nature of these supply agreements transfer the risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

LINDBROOK LIMITED

PRINCIPAL ACCOUNTING POLICIES

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.

TAXATION

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised when it is more likely than not that the deferred tax asset will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date. Deferred tax balances are not discounted.

RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under Financial Reporting Standard 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 2005*

	Note	2005 £	2004 £
Turnover			
Continuing operations		109,060,838	84,976,834
Discontinued operations	23	54,468,365	55,754,312
		<hr/>	<hr/>
Cost of sales	1	163,529,203 (146,059,626)	140,731,146 (125,754,028)
		<hr/>	<hr/>
Gross profit		17,469,577	14,977,118
Administrative expenses		(17,510,039)	(14,684,532)
		<hr/>	<hr/>
Operating (loss)/profit			
Continuing operations		704,532	1,457,671
Discontinued operations		(744,994)	(1,165,085)
		<hr/>	<hr/>
Total operating (loss)/profit	2	(40,462)	292,586
Interest receivable and similar income	3	83,077	24,576
Interest payable and similar charges	4	(1,005,787)	(861,430)
		<hr/>	<hr/>
Loss on ordinary activity before taxation		(963,172)	(544,268)
Tax on loss on ordinary activity	6	258,336	220,892
		<hr/>	<hr/>
Loss for the financial year	15	(704,836)	(323,376)
		<hr/>	<hr/>

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.

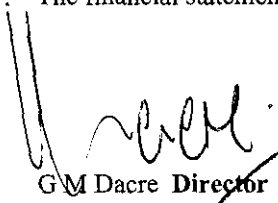
LINDBROOK LIMITED

BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Intangible asset	7		625,000		805,000
Tangible assets	8		1,927,130		2,308,787
			<u>2,552,130</u>		<u>3,113,787</u>
Current assets					
Stocks	9	21,000,913		27,934,557	
Debtors	10	8,861,326		7,781,006	
Cash at bank and in hand		1,986,295		1,436,872	
		<u>31,848,534</u>		<u>37,152,435</u>	
Creditors: amounts falling due within one year	11	(26,859,285)		(31,662,257)	
Net current assets			<u>4,989,249</u>		<u>5,490,178</u>
Total assets less current liabilities			<u>7,541,379</u>		<u>8,603,965</u>
Creditors: amounts falling due after more than one year	12		(6,987,291)		(7,300,948)
Provisions for liabilities and charges	13		(44,361)		(88,454)
Net assets			<u><u>509,727</u></u>		<u><u>1,214,563</u></u>
Capital and reserves					
Called up equity share capital	14		250,000		250,000
Profit and loss account	15		259,727		964,563
Equity shareholder's funds	16		<u><u>509,727</u></u>		<u><u>1,214,563</u></u>

Debtors include £3,527,759 (2004: £3,375,651) falling due after more than one year.

The financial statements were approved by the board of directors on 28 April 2006.


G M 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 2005

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 (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of tangible fixed assets - owned	643,203	519,228
- held under hire purchase contracts	32,632	22,865
Amortisation of intangible fixed assets	180,000	299,167
Operating lease rentals - land and buildings	1,668,827	967,708
Auditor's remuneration - audit services	32,650	21,200
- non audit services	7,350	4,400
Loss/(profit) on disposal of tangible fixed assets	3,231	(1,124)

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2005 £	2004 £
Bank interest	83,077	24,576

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
On bank loans and overdraft	125,517	33,601
On other loans wholly repayable within five years	-	9,401
Other charges	880,270	818,428
	1,005,787	861,430

LINDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2005 £	2004 £
Wages and salaries	9,954,978	8,310,238
Social security costs	1,056,516	853,154
Pension costs (note 17)	116,526	72,287
	<u>11,128,020</u>	<u>9,235,679</u>

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

	2005 Number	2004 Number
Mechanical	122	145
Sales and distribution	117	113
Administration	199	149
	<u>438</u>	<u>407</u>

The directors received no emoluments from the company during the year (2004: £Nil).

6 TAXATION

(a) The taxation credit for the year is made up as follows:

	2005 £	2004 £
Corporation tax		
UK corporation tax - group relief receivable	(245,165)	(194,054)
Over/(under) provision in previous year	30,922	(76,230)
	<u>(214,243)</u>	<u>(270,284)</u>
Deferred tax (note 13)		
Current year	(33,750)	38,785
Prior year	(10,343)	10,607
	<u>(258,336)</u>	<u>(220,892)</u>

LINDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

TAXATION (CONTINUED)

(b) Factors affecting the tax credit for the year:

	2005 £	2004 £
Loss on ordinary activity before tax	(963,172)	(544,268)
Loss on ordinary activity multiplied by standard rate of corporation tax in the UK of 30% - expected credit	(288,952)	(163,280)
Effects of:		
Expenses not deductible for tax purposes	10,037	8,011
Differences between capital allowances and depreciation	38,117	(34,280)
Other timing differences	(4,367)	(4,505)
Adjustment to tax charge in respect of previous year	30,922	(76,230)
Current tax credit for year (note 6(a))	(214,243)	(270,284)

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2005 and 31 December 2005	1,150,000
Amortisation	
At 1 January 2005	345,000
Charge for year	180,000
At 31 December 2005	525,000
Net book value at 31 December 2005	625,000
Net book value at 31 December 2004	805,000

LINDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2005	72,323	8,000	1,183,834	2,304,659	114,314	3,683,130
Additions	570	14,505	134,774	118,565	33,039	301,453
Disposals	-	(8,000)	(4,366)	(17,998)	(10,849)	(41,213)
At 31 December 2005	72,893	14,505	1,314,242	2,405,226	136,504	3,943,370
Depreciation						
At 1 January 2005	6,706	8,000	293,008	1,011,179	55,450	1,374,343
Charge for the year	1,458	290	187,002	464,417	22,668	675,835
On disposals	-	(8,000)	(2,282)	(13,739)	(9,917)	(33,938)
At 31 December 2005	8,164	290	477,728	1,461,857	68,201	2,016,240
Net book value at 31 December 2005	64,729	14,215	836,514	943,369	68,303	1,927,130
Net book value at 31 December 2004	65,617	-	890,826	1,293,480	58,864	2,308,787

Included in plant and machinery above are assets held under hire purchase and finance lease agreements with a net book value of £127,711 (2004: £161,798). The depreciation charge for the year on these assets amounted to £32,632 (2004: £22,865).

LINDBROOK LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2005

9 STOCKS

	2005 £	2004 £
Raw materials and consumables	59,059	66,997
Finished goods and goods for resale	20,941,854	27,867,560
	<u>21,000,913</u>	<u>27,934,557</u>

£9,683,176 (2004: £16,422,285) of consignment stock has been included in the total stock figure.

10 DEBTORS

	2005 £	2004 £
Trade debtors	3,012,105	2,243,646
Amounts owed by group undertakings	3,527,759	3,375,651
Other debtors	198,693	545,946
Prepayments and accrued income	2,122,769	1,615,763
	<u>8,861,326</u>	<u>7,781,006</u>

All amounts due from group undertakings are due after more than one year.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Mortgage loans (note 12)	281,250	125,000
Bank overdraft	1,833,042	1,113,841
Payments received on account	682,575	726,754
Net obligations under hire purchase contracts (note 12)	32,524	32,524
Trade creditors	2,047,234	2,559,103
Consignment stock	9,683,176	16,422,285
Other taxes and social security costs	1,335,476	1,323,977
Other creditors	9,253,074	8,243,860
Accruals and deferred income	1,710,934	1,114,913
	<u>26,859,285</u>	<u>31,662,257</u>

The bank borrowings are secured by charges over various properties and assets within the overall Bank of Scotland facility.

The consignment stock finance creditor is secured against the relevant vehicle stocks.

Included in other creditors are vehicle stocking loans of £9,190,895 (2004: £8,211,780) secured against vehicle stocks. Interest is charged at a commercial rate on these loans.

LINDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Mortgage loans	-	593,750
Net obligations under hire purchase contracts	91,529	124,126
Amounts due to ultimate parent undertaking	-	3,333,072
Amounts owed to parent undertaking	2,250,000	2,250,000
Amounts due to group undertakings	4,645,762	1,000,000
	<hr/>	<hr/>
	6,987,291	7,300,948
	<hr/>	<hr/>
Loan maturity analysis		
In one year or less	281,250	125,000
Between one and two years	-	125,000
Between two and five years	-	356,250
In five years or more	-	112,500
	<hr/>	<hr/>
	281,250	718,750
	<hr/>	<hr/>
Net obligations under hire purchase contracts		
Repayable within one year	32,524	32,524
Repayable between one and two years	49,684	49,684
Repayable between two and five years	41,845	45,690
Repayable after more than five years	-	28,752
	<hr/>	<hr/>
	124,053	156,650
	<hr/>	<hr/>

The mortgage loans of £281,250 (2004: £718,750) bear interest at 1.5% over Bank of Scotland base rate and are secured by a fixed charge over the land and buildings.

The amount owed to the parent undertaking of £2,250,000 (2004: £2,250,000) is in respect of a loan due to Lindacre Limited, the immediate parent undertaking. 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 liquidity available. The loan bears interest at 1.5% above base rate.

Obligations under hire purchase contracts are secured on the assets acquired.

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance at 1 January 2005	88,454
Profit and loss account credit	(44,093)
	<hr/>
Balance at 31 December 2005	44,361
	<hr/>

LINDBROOK LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2005

PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

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

	Fully provided	
	2005	2004
	£	£
Accelerated capital allowances	59,038	88,454
Other timing differences	(14,677)	-
	44,361	88,454

There are no amounts of unprovided deferred tax.

14 CALLED UP EQUITY SHARE CAPITAL

	2005	2004
	£	£
Authorised 250,000 ordinary shares of £1 each	250,000	250,000
Allotted, called up and fully paid 250,000 ordinary shares of £1 each	250,000	250,000

15 PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 2005	964,563
Loss for the financial year	(704,836)
Balance at 31 December 2005	259,727

16 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2005	2004
	£	£
Loss for the financial year	(704,836)	(323,376)
Opening equity shareholder's funds	1,214,563	1,537,939
Closing equity shareholder's funds	509,727	1,214,563

LINDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

17 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 £116,526 (2004: £72,287). At 31 December 2005 there were outstanding pension payments of £14,265 (2004: £Nil).

18 LEASING COMMITMENTS

At 31 December 2005 the company was committed to making the following annual payments under non-cancellable operating leases:

	Land and buildings	
	2005	2004
	£	£
Operating leases which expire		
Within one year	958,053	867,500
Within two to five years	48,288	46,880
After five years	706,500	705,504
	1,712,841	1,619,884

Lease commitments payable within one year include payments to be made under informal tenancies notwithstanding the fact that there are no formal lease agreements in place. In previous years these payments were not included, and the comparative figures have been adjusted to incorporate them.

19 CONTINGENT LIABILITY

There is a joint and several liability under a group VAT registration. The total liability at 31 December 2005 was £1,680,812 (2004: £1,289,578).

Under a corporate cross guarantee between Lind Automotive Group Holdings Limited and each of the subsidiary companies in the group, the company has guaranteed total bank borrowings at 31 December 2005 of £26,164,040 (2004: £28,782,292).

20 CAPITAL COMMITMENTS

At 31 December 2005 the company was committed to payments amounting to £Nil (2004: £800,000).

21 PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Lindacre Limited, a company registered in England and Wales. The ultimate parent undertaking is Lind Automotive Group Holdings Limited, a company registered in England and Wales.

Both Lindacre Limited and Lind Automotive Group Holdings Limited prepare financial statements in which the results of Lindbrook Limited are consolidated.

22 TRANSACTIONS WITH RELATED PARTIES

The company is controlled by G M Dacre, who has a controlling interest in the share capital of the ultimate parent undertaking, Lind Automotive Group Holdings Limited.

During the year the company paid rent totalling £275,000 (2004: £275,000) in respect of land and buildings owned by G M Dacre. In addition the company sold vehicles to B K Fawcett, a director, to the value of £36,659 (2004: £45,144) and purchased vehicles from him to the value of £80,390 (2004: £Nil).

LINDBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

23 SUBSEQUENT EVENTS

On 1 January 2006 the net assets and trade of the four Volkswagen franchises operating in Chelmsford, Colchester, Romford and Southend, were transferred to Lindvale 2 Limited (formerly Lindmere Limited), a fellow subsidiary undertaking, as part of a group restructuring plan. Accordingly the profit and loss account presents the results of this part of the business as discontinued activities.

