

Agnew Autoexchange Limited

Directors' report and financial statements
for the year ended 31 December 2011

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Agnew Autoexchange Limited

Company Information

Directors	DIF Agnew (resigned 10 January 2012) PW Agnew A Collinson (appointed 10 January 2012)
Company secretary	PW Agnew
Company number	NI012734
Registered office	18 Boucher Way Belfast BT12 6RE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
Bankers	Northern Bank Limited 353 Lisburn Road Belfast BT9 7EY
Solicitors	Johnsons Solicitors Johnson House 50-56 Wellington Place Belfast BT1 6GF

Agnew Autoexchange Limited

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Agnew Autoexchange Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Principal activities

The principal activity of the company is the sale and service of motor vehicles and the provision of ancillary goods and services.

Post balance sheet events

80% of share capital of company was owned by Isaac Agnew (Holdings) Limited and 20% was owned directly by the Agnew family at 31 December 2011.

On 9 January 2012, PAMD Limited, the company's ultimate parent undertaking was placed into a members' voluntary liquidation and the share capital of Isaac Agnew (Holdings) Limited was distributed from PAMD Limited to Agnew Retail Ltd on 9 January 2012.

Share capital of Agnew Retail Ltd was sold to Sytner Group UK Ltd, a company incorporated in England and Wales, on 10 January 2012.

The Agnew family sold the 20% stake to Sytner Group UK Ltd on 10th January 2012.

Business review

The directors consider the results for the year and the position of the company at the year end to be satisfactory.

The external commercial environment is expected to remain challenging in 2012, however we remain confident that we can maintain our current level of performance in the future.

Agnew Autoexchange Limited

Directors' report for the year ended 31 December 2011

Results

The profit for the year, after taxation, amounted to £150,502 (2010 - loss £67,937).

Directors

The directors who served during the year were:

DIF Agnew (resigned 10 January 2012)

PW Agnew

Principal risks and uncertainties

The directors of Isaac Agnew (Holdings) Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Agnew Autoexchange Limited's business. The principal risks and uncertainties of the Isaac Agnew (Holdings) Limited group, which include those of the company, are discussed on page 2 of the group's annual report, which does not form part of this report.

Key performance indicators ("KPIs")

The directors of the ultimate parent company, Isaac Agnew (Holdings) Limited, manage the group's operations at a group level, rather than at an individual company level. For this reason, the company's directors believe that analysis using KPIs for the company is not necessary or appropriate for an understanding of the development, performance or position of the Agnew Autoexchange Limited business. The development, performance and position of Isaac Agnew (Holdings) Limited, which include those of the company, are discussed on page 2 of the group's annual report, which does not form part of this report.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

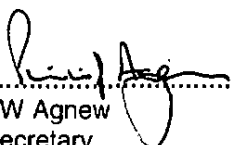
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken exemption of the medium companies exemptions provided by section 415 (part 15) of the Companies Act 2006.

This report was approved by the board on 31 May 2012 and signed on its behalf.


PW Agnew
Secretary

Independent auditors' report to the members of Agnew Autoexchange Limited

We have audited the financial statements of Agnew Autoexchange Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Agnew Autoexchange Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or


Kevin MacAllister (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

6 June 2012

Agnew Autoexchange Limited

**Profit and loss account
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover	1,2	23,104,778	22,611,807
Cost of sales		(21,586,878)	(21,382,767)
Gross profit		1,517,900	1,229,040
Distribution costs		(803,395)	(765,080)
Administrative expenses		(499,164)	(542,140)
Operating profit/(loss)	3	215,341	(78,180)
Interest payable and similar charges	5	(3,619)	(2,961)
Profit/(loss) on ordinary activities before taxation		211,722	(81,141)
Tax on profit/(loss) on ordinary activities	6	(61,220)	13,204
Profit/(loss) for the financial year	13	150,502	(67,937)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

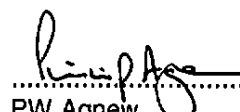
The notes on pages 7 to 13 form part of these financial statements.

Agnew Autoexchange Limited
Registered number: NI012734

Balance sheet
as at 31 December 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	7		16,452		34,589
Current assets					
Stocks	8	3,234,334		2,354,855	
Debtors	9	233,254		148,810	
Cash at bank		288,478		233,994	
			<u>3,756,066</u>	<u>2,737,659</u>	
Creditors: amounts falling due within one year	10	(2,077,087)		(1,227,319)	
Net current assets			<u>1,678,979</u>		<u>1,510,340</u>
Total assets less current liabilities			<u>1,695,431</u>		<u>1,544,929</u>
Capital and reserves					
Called up share capital	12		50,000		50,000
Profit and loss account	13		1,645,431		1,494,929
Shareholders' funds	14		<u>1,695,431</u>		<u>1,544,929</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 May 2012.


 PW Agnew
 Director

The notes on pages 7 to 13 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2011**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	20% straight line
Plant & machinery	-	20% straight line
Fixtures & fittings	-	20% straight line

1.5 Stocks

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

The company has access to 'consignment stock' under agreements with suppliers for a consignment period. Where the nature of these agreements transfers risks and rewards to the company, which in substance gives the company control over the stocks during the consignment period and liabilities in respect of holding costs, the company recognises these stocks together with the equivalent liability.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

Notes to the financial statements
for the year ended 31 December 2011

1. Accounting policies (continued)

1.7 Pensions

The company and group operates a defined benefit scheme for specific employees. The assets of the scheme are held separately from those of the company. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the company's defined benefit pension scheme arising from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The company and group operates a defined contribution scheme for those employees not covered by the above scheme. The cost of funding the defined contribution scheme is charged to the profit and loss account as incurred.

2. Turnover

Turnover and results relate to the company's main activity which is carried out in Northern Ireland.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets:		
- owned by the company	22,732	73,416

During the year, no director received any emoluments (2010 - £NIL).

The audit fee of the company is borne by Isaac Agnew (Holdings) Limited, the immediate parent undertaking.

**Notes to the financial statements
for the year ended 31 December 2011**

4. Staff costs

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	1,287,117	1,318,702
Social security costs	127,787	130,624
Other pension costs	10,760	10,538
	<u>1,425,664</u>	<u>1,459,864</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2011 No.	2010 No.
Managerial and Administration	11	12
Sales	12	12
After Sales	25	24
	<u>48</u>	<u>48</u>

5. Interest payable

	2011 £	2010 £
On bank loans and overdrafts	<u>3,619</u>	<u>2,961</u>

6. Taxation

	2011 £	2010 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	58,932	(6,837)
Deferred tax		
Origination and reversal of timing differences	501	-
Accelerated capital allowances	1,786	(2,012)
Adjustments to tax charge in respect of prior periods	1	(4,355)
Total deferred tax (see note 11)	<u>2,288</u>	<u>(6,367)</u>
Tax on profit/loss on ordinary activities	<u>61,220</u>	<u>(13,204)</u>

Notes to the financial statements
for the year ended 31 December 2011

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - the same as) the standard rate of corporation tax in the UK of 26.49% (2010 - 28%). The differences are explained below:

	2011 £	2010 £
Profit/loss on ordinary activities before tax	211,722	(81,141)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.49% (2010 - 28%)	56,085	(22,719)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,348	13,851
Accelerated capital allowances and other timing differences	(501)	2,012
Adjustments to tax charge in respect of prior periods	-	19
Current tax charge/(credit) for the year (see note above)	58,932	(6,837)

Factors that may affect future tax charges

A reduction in the main rate of corporation tax to 24% from 1 April 2012 was announced in the Budget on 21 March 2012. This is a change from the rate of 25% included in the Finance Bill 2011. This change is expected to be substantively enacted on 26 March 2012 and will affect the measurement of deferred tax balances for companies with a balance sheet date on or after this date. Further decreases are expected to be enacted in future Finance Bills.

7. Tangible fixed assets

	L/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 January 2011	124,046	143,675	124,574	392,295
Additions	-	4,595	-	4,595
At 31 December 2011	124,046	148,270	124,574	396,890
Depreciation				
At 1 January 2011	115,213	129,433	113,060	357,706
Charge for the year	8,833	8,089	5,810	22,732
At 31 December 2011	124,046	137,522	118,870	380,438
Net book value				
At 31 December 2011	-	10,748	5,704	16,452
At 31 December 2010	8,833	14,242	11,514	34,589

**Notes to the financial statements
for the year ended 31 December 2011**

8. Stocks

	2011 £	2010 £
Goods for resale	2,139,379	1,961,779
Consignment stock	1,094,955	393,076
	<u>3,234,334</u>	<u>2,354,855</u>

Vehicles held on a consignment basis are included in stocks where allocation in principle has been made to customer order. All other consignment vehicles are available for allocation to other motor retailers.

The company has a commitment to repurchase vehicles under various contractual arrangements entered into in the ordinary course of business. The assets and corresponding liabilities have been reflected in the balance sheet as stocks and creditors.

There is no material difference between the replacement cost of stock and their balance sheet values.

9. Debtors

	2011 £	2010 £
Trade debtors	145,065	89,798
Amounts owed by group undertakings	1,253	669
Other debtors	34,222	6,837
Prepayments and accrued income	38,069	34,573
Deferred tax asset (see note 11)	14,645	16,933
	<u>233,254</u>	<u>148,810</u>

Other debtors includes £Nil relating to group relief receivable (2010: £6,837).

**10. Creditors:
Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	1,777,511	1,009,144
Amounts owed to group undertakings	30,382	39,497
Amounts owed to related undertakings	9,917	-
Corporation tax	69,175	-
Social security and other taxes	95,292	69,416
Other creditors	-	55,814
Accruals and deferred income	94,810	53,448
	<u>2,077,087</u>	<u>1,227,319</u>

Agnew Autoexchange Limited

Notes to the financial statements for the year ended 31 December 2011

11. Deferred tax asset

	2011 £	2010 £
At beginning of year	16,933	10,566
(Charge)/Additions during year	(2,288)	6,367
At end of year	<u>14,645</u>	<u>16,933</u>

The deferred tax asset is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>14,645</u>	<u>16,933</u>

12. Called up share capital

	2011 £	2010 £
Allotted and fully paid 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

13. Reserves

	Profit and loss account £
At 1 January 2011	1,494,929
Profit for the year	150,502
At 31 December 2011	<u>1,645,431</u>

14. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	1,544,929	1,612,866
Profit/(loss) for the year	150,502	(67,937)
Closing shareholders' funds	<u>1,695,431</u>	<u>1,544,929</u>

15. Contingent liabilities

The company has guaranteed the indebtedness, to the Northern Bank Limited, of all fellow subsidiary undertakings. The guarantee is for an unlimited amount and is secured by a floating charge. The indebtedness of the company's fellow subsidiaries at 31 December 2011 was £163,304 (2010: £7,322,017).

Agnew Autoexchange Limited

Notes to the financial statements for the year ended 31 December 2011

16. Pension commitments

The pension charge of £10,760 (2010: £10,538) represents the contributions payable by the company.

17. Related party transactions

The ultimate controlling party is the Agnew family at 31 December 2011.

The company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with related parties that are part of the Isaac Agnew (Holdings) Limited group.

During the year the company completed transactions with other related party undertakings under common control, principally companies within the Roadfield Motors Limited Group including Scandinavian Motors Limited and Agnew Trade Centre.

	2011 £	2010 £
Purchases	13,908	-
Sales	9,073	6,523

18. Post balance sheet events

On 9 January 2012, PAMD Limited, the company's ultimate parent undertaking was placed into a members' voluntary liquidation and the share capital of Isaac Agnew (Holdings) Limited was distributed from PAMD Limited to Agnew Retail Ltd on 9 January 2012.

Share capital of Agnew Retail Ltd was sold to Sytner Group UK Ltd, a company incorporated in England and Wales, on 10 January 2012.

The Agnew family sold the 20% stake to Sytner Group UK Ltd on 10th January 2012.

19. Ultimate parent undertaking and controlling party

80% of share capital of company was owned by Isaac Agnew (Holdings) Limited and 20% was owned directly by the Agnew family at 31 December 2011.

The company's ultimate parent undertaking at 31 December 2011 is PAMD Limited, a company incorporated in Northern Ireland.

The company's immediate parent undertaking is Isaac Agnew (Holdings) Limited, a company incorporated in Northern Ireland.

The smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Isaac Agnew (Holdings) Limited, a company incorporated in Northern Ireland. Copies of the group financial statements are available to the public from Companies House, The Linenhall, 32 Linenhall Street, Belfast, BT2 8BG.

The ultimate controlling party is considered to be the Agnew family at 31 December 2011.