

Maranello Concessionaires Limited

**Directors' report and financial
statements**

Registered number 00655104

For the year ended 31 December 2008

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Directors' report

The directors present their annual report, together with the financial statements and auditors' report, for the year ended 31 December 2008.

Principal activity and business review

The principal activities of the Company in the period were that of sole Ferrari and Maserati concessionaires in the UK and Eire for the distribution of spare parts.

Results and dividends

The company's profit before tax for the year was £309,000 (2007: £416,000). Further details with regard to the trading results for the year and the amount transferred to reserves are set out on page 6. An interim dividend of £Nil (2007: £6,000,000) was paid during the year, the directors do not recommend the payment of a final dividend (2007: £Nil).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent retailers and employee retention.

Further discussion of these risks and uncertainties, in the context of the Sytner group as a whole, is provided in the directors' report for Sytner Group Limited, which does not form part of this report.

Key performance indicators

The company is part of the Sytner group. The development, performance and position of the group, which includes this company is provided in the directors' report for Sytner Group Limited, which does not form part of this report.

Directors

The directors who served during the year and subsequently are shown below:

M Carpenter
GE Nieuwenhuys

Creditor payment policy

The company's policy in respect of its suppliers is to agree terms of payment on or before entering into each transaction and to adhere to such terms, subject to satisfactory completion of the transaction concerned. Where prior agreement is neither practicable nor feasible, invoices will be dealt with in a timely manner as part of a systematic payment process. The company does not follow any code or standard on payment practice. At 31 December 2008, the company's creditor days compared to the value of suppliers' invoices received in the year was 136 days (2007: 102 days).

Directors' report *(continued)*

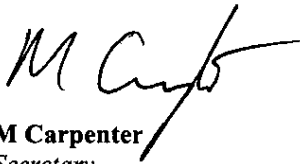
Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



M Carpenter
Secretary

2 Penman Way
Grove Park
Leicester
LE19 1ST

30 October 2009

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Maranello Concessionaires Limited

We have audited the financial statements of Maranello Concessionaires Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 3.

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

Basis of audit 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.

Independent auditors' report to the members of Maranello Concessionaires Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 October 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Notes</i>	2008 £000	2007 £000
Turnover	<i>1</i>	7,361	5,764
Cost of sales		(5,432)	(4,775)
		<hr/>	<hr/>
Gross profit		1,929	989
Distribution costs		(729)	(218)
Administrative expenses		(732)	(647)
		<hr/>	<hr/>
Operating profit		468	124
Interest receivable and similar income	<i>2</i>	-	292
Interest payable and similar charges	<i>3</i>	(159)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>4</i>	309	416
Tax on profit on ordinary activities	<i>6</i>	(20)	(142)
		<hr/>	<hr/>
Profit for the financial year		289	274
		<hr/>	<hr/>

In each year, there were no recognised gains and losses other than the profit for the year.


All operations of the company continued throughout both years and no operations were acquired or discontinued.

In each year there are no material differences between the retained profit and the historical cost equivalent.

Balance sheet
at 31 December 2008

	<i>Note</i>	2008	2007
		£000	£000
Fixed assets			
Tangible assets	8	301	72
Investments	9	-	-
		<u>301</u>	<u>72</u>
Current assets			
Stocks	10	3,118	2,923
Debtors	11	4,536	1,018
Cash at bank		-	1,672
		<u>7,654</u>	<u>5,613</u>
Creditors: amounts falling due within one year	12	<u>(3,457)</u>	<u>(1,476)</u>
Net current assets		<u>4,197</u>	<u>4,137</u>
Total assets less current liabilities		<u>4,498</u>	<u>4,209</u>
Provisions for liabilities and charges	13	-	-
Net assets		<u>4,498</u>	<u>4,209</u>
Capital and reserves			
Called up share capital	14	300	300
Profit and loss account	15	4,198	3,909
Total equity shareholders' funds	16	<u>4,498</u>	<u>4,209</u>

These financial statements were approved by the board of directors on 30 October 2009 and were signed on its behalf by:


M Carpenter
 Director

Company number: 00655104

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover, which arises wholly in the United Kingdom from the company's principal activity, being that of the sale of car parts, is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Consolidation and cash flow statement

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 228 of the Companies Act 1985 because it is a wholly-owned subsidiary of the Sytner Group Limited which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

Investment in subsidiaries

Shares in subsidiary companies are stated at cost less any provision for impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. 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 its expected useful life, as follows:

Leasehold improvements	-	over lease term
Fixtures and equipment and motor vehicles	-	between 3 and 10 years

Residual value is calculated on prices prevailing at the date of acquisition.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase price less trade discounts. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Pension costs

A number of employees are members of the Sytner Group Pension Plan, a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Notes (continued)

2 Interest receivable and similar income

	2008	2007
	£000	£000
Interest received on bank balances	-	292
	<u>-</u>	<u>292</u>

3 Interest payable and similar charges

	2008	2007
	£000	£000
Interest on bank loans and overdrafts	159	-
	<u>159</u>	<u>-</u>

4 Notes to the profit and loss account

	2008	2007
	£000	£000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Depreciation	40	61
Operating lease rentals		
Land and buildings	222	222
	<u>222</u>	<u>222</u>

The audit fee for 2008 and 2007 has been borne by another group company on behalf of Maranello Concessionaires Limited, for which no recharge has been made.

Notes (continued)

5 Staff costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Number of employees	
	2008	2007
Workshop staff	18	15
Administration	4	2
	<u>22</u>	<u>17</u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	620	584
Social security costs	54	47
Pension costs	17	53
	<u>691</u>	<u>684</u>

Directors' remuneration

The directors who served during the year are all directors of an intermediate parent company, Sytner Group Limited and are remunerated by that company. It is not practicable to allocate their remuneration to individual companies in the group. The remuneration has, therefore, been disclosed in the financial statements of Sytner Group Limited.

6 Taxation

Analysis of charge in year

	2008 £000	2007 £000
<i>UK corporation tax</i>		
Current tax on income for the year	67	63
Adjustment in respect of previous years	(26)	(68)
<i>Deferred tax (see note 11)</i>		
Origination/reversal of timing differences	56	80
Adjustment in respect of previous years	(77)	67
	<u>20</u>	<u>142</u>

Notes (continued)

6 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The corporation tax rate applicable to the company changed from 30% to 28% from 1 April 2008. The weighted average tax rate throughout the year of 28.5% has been used to determine tax calculations.

The current tax charge for the year is lower (2007: lower) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	309	416
	<hr/>	<hr/>
Current tax at 28.5% (2007: 30%)	88	125
<i>Effects of:</i>		
Expenses not deductible for tax purposes	36	2
Capital allowances in excess of depreciation	(56)	(65)
Adjustment to tax charge in respect of previous years	(26)	(68)
Difference between accounts profit and taxable profits on capital asset disposals	(1)	-
Transfer pricing adjustment	-	1
	<hr/>	<hr/>
Total current tax charge (see above)	41	(5)
	<hr/>	<hr/>

7 Dividends

	2008 £000	2007 £000
Interim dividend paid of £Nil (2007: £5.00) per share	-	6,000
	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets

	Leasehold Improvements	Fixtures and equipment	Motor vehicles	Total
	£000	£000	£000	£000
Cost				
At beginning of year	-	1,078	133	1,211
Additions	260	6	-	266
Disposals	-	(120)	-	(120)
At end of year	260	964	133	1,357
Depreciation				
At beginning of year	-	1,006	133	1,139
Charge for year	-	40	-	40
Disposals	-	(123)	-	(123)
At end of year	-	923	133	1,056
Net book value				
At 31 December 2008	260	41	-	301
At 31 December 2007	-	72	-	72

9 Investments

Cost and net book value	£
At beginning and end of year	100

The Company has the following wholly owned principal subsidiary undertakings, registered and operating in England.

Subsidiary undertaking	Principal activity
Maranello Sales Limited	Ferrari & Maserati dealer

Notes (continued)

10 Stocks

	2008 £000	2007 £000
Parts	3,118	2,923

11 Debtors

	2008 £000	2007 £000
Trade debtors	519	533
Other debtors	9	20
Amounts owed by group undertakings	3,686	190
Deferred tax	245	224
Prepayments and accrued income	42	14
Corporation tax	35	37
	4,536	1,018

Amounts owed by group undertakings are interest free and do not have a fixed repayment date.

All debtors fall due within one year with the exception of deferred tax of £245,000 (2007: £224,000) which falls due after more than one year. The deferred tax asset comprises:

	2008 £'000	2007 £'000
Decelerated capital allowances	245	224

Movements during the year in the deferred tax asset are as follows:

	£'000	£'000
Balance at beginning of year	224	371
Deferred tax credit/(charge) for the year (note 6)	21	(147)
Balance at end of year	245	224

Notes (continued)

12 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank overdraft	2,095	-
Trade creditors	1,046	770
Other taxes and social security	6	37
Other creditors	55	-
Accruals and deferred income	255	669
	<u>3,457</u>	<u>1,476</u>

The bank overdraft is secured by fixed and floating charges over the assets of the Group and bears interest at 1.75% over UK Base Rate.

13 Provisions for liabilities and charges

	2008 £000	2007 £000
At 1 January 2008	-	507
Paid	-	(507)
	<u>-</u>	<u>-</u>
At 31 December 2008	-	-

The provision related to certain leasehold premises that the Company no longer had a commercial use for.

14 Called up share capital

	2008 £000	2007 £000
<i>Authorised:</i>		
1,400,000 ordinary shares of 25 pence each	350	350
	<u>350</u>	<u>350</u>
<i>Allotted:</i>		
1,200,000 ordinary shares of 25 pence each	300	300
	<u>300</u>	<u>300</u>

15 Profit and loss account

	2008 £000	2007 £000
Balance at beginning of year	3,909	9,635
Profit on ordinary activities after taxation	289	274
Dividend paid	-	(6,000)
	<u>4,198</u>	<u>3,909</u>
Balance at end of year	4,198	3,909

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Opening shareholders' funds	4,209	9,935
Profit on ordinary activities after taxation	289	274
Dividend paid	-	(6,000)
Closing shareholders' funds	4,498	4,209

17 Financial commitments

Operating leases

Annual commitments under non-cancellable leases are as follows:

	Land and buildings	
	2008 £000	2007 £000
Expiry date:		
Within one year	56	-
Between two and five years	-	222
	56	222

Capital commitments

The company had capital commitments of £822,000 at 31 December 2008 (2007: £nil).

Contingent liabilities

The company has a cross guarantee with fellow group companies to guarantee bank borrowings.

18 Ultimate parent company and controlling party

The company is a subsidiary undertaking of Penske Automotive Group, Inc., incorporated in Michigan, USA. Penske Automotive Group, Inc. is also the largest group in which the results of the company are consolidated. The consolidated financial statements are available from 2555 Telegraph Road, Bloomfield Hills, Detroit, MI 48302-0954, USA.

The smallest group in which the results are consolidated is that headed by Sytner Group Limited incorporated in England and Wales. The consolidated financial statements are available to the public from the registrar of companies.

19 Related party transactions

The company entered into a number of transactions during the year with other companies within the above group. Under the provisions of FRS 8 no disclosure has been provided on the grounds that all companies within the group are 100% owned and the consolidated financial statements of the parent company are publicly available.